

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



CATHY BETTS
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 5, 2023

TO: The Honorable Representative Scot Z. Matayoshi, Chair
House Committee on Labor & Government Operations

FROM: Cathy Betts, Director

SUBJECT: **HB 800 – RELATING TO CHILD CARE.**

Hearing: Tuesday, February 7, 2023, 9:00 a.m.
Conference Room 309 & Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the bill and provides comments. DHS further defers to the Department of Accounting & General Services.

PURPOSE: The bill's purpose is to require the Department of Accounting and General Services to establish and operate a child care center pilot program on Oahu for eligible children of state employees, one in or near the state capitol and one in Kapolei. Appropriates funds.

DHS appreciates the Legislature's attention to investing in child care services for State employees and their families that will positively impact the State's overall need for more child care.

DHS is the State's regulatory office for child care registration and licensing. It also administers child care subsidy programs for eligible families through its Child Care Connection Hawaii and Preschool Open Doors programs.

DHS requests clarification on whether the measure intends the proposed group child care center to be licensed as required by section 346-161, Hawaii Revised Statutes (HRS). This

section requires licensure by DHS to persons who want to operate, maintain, or conduct a group child care home or group child care center before operating, maintaining, or conducting a group child care home or group child care center. In addition, a group child care home or group child care center shall meet and maintain minimum health and safety standards in chapter 17-892.1, Hawaii Administrative Rules (HAR).

Importantly, if the proposed group child care center is licensed, families who choose to use the proposed child care program may apply for DHS child care subsidies to determine their eligibility to receive them.

Should this measure pass, DHS will work with DAGS and interested child care providers to develop this pilot program.

Thank you for the opportunity to provide comments on this measure.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
KEITH A. REGAN, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE

COMMITTEE ON LABOR & GOVERNMENT OPERATIONS

H.B.800

FEBRUARY 7, 2023, 9:00 AM
CONFERENCE ROOM 309 AND VIA VIDEOCONFERENCE, STATE CAPITOL

RELATING TO CHILD CARE

Chair Matayoshi, Vice Chair Garrett, and Members of the Committee, thank you for the opportunity to testify on H.B. 800.

The Department of Accounting and General Services (DAGS) supports this bill to, by contract, establish and operate a child care center pilot program for eligible children of state employees, one in or around the state capitol building and one in Kapolei, as well as appropriate funds.

DAGS realizes the importance of child care and is cognizant of both the high cost and lack of access to quality child care for our young parents and younger generation entering the workplace environment. Having child care facilities on State property can benefit State employees and has the potential to attract candidates to State employment, as well as inform that the State is a progressive employer.

DAGS needs to work with other State agencies to better understand the philosophy and program parameters, as well as regulatory requirements before selecting physical locations. Considerations and criteria have to be incorporated into the decision-making process to select the best sites possible and ensure best practices for child welfare, health, and safety. Considerations such as classroom size, outdoor and playground facilities, restroom and food services amenities, health and safety considerations, traffic flow for parent access during drop off and pick up, and teacher facilities all need to be addressed before selecting State facilities. Operating a child care facility at any state building must also consider the “business atmosphere” and whether or not the building environment will be conducive to having children under the age of six within the structure.

DAGS looks forward to working with stakeholders to create a child care pilot program to address the unmet need for child care in the State. However, a feasibility study would be required in the estimated amount of \$250,000.00 before proceeding with establishment of child care facilities as proposed in this measure.

Thank you for the opportunity to submit testimony on this matter.



Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.

To: Representative Matayoshi, Chair
Representative Garrett, Vice Chair
House Committee on Labor & Government Operations

Re: HB800, relating to child care
9:00 a.m., Feb. 7, 2023

Aloha Chair Matayoshi, Vice Chair Garrett and committee members:

On behalf of Hawai'i Children's Action Network (HCAN) Speaks!, mahalo for the opportunity to testify on House Bill 800, relating to child care. **HCAN Speaks! supports the intent** of HB800 and offers comments for your consideration.

HB800 requires the Department of Accounting and General Services establish a pilot program of two child care centers on the island of O'ahu for state employees. This measure is a good start to address the significant shortage of early childhood care and education for families. We support government investment in this sector.

We appreciate that the bill allows the child care centers to give preference to state employees but still accept those not working for the state government. Birth rates and child care needs for particular geographic locations vary from year to year. The centers should have the flexibility to serve families outside of state employment, so that it can help other families in need of care if space is available. Other employer-run or -sponsored child care centers also use this kind of policy with great success.

We respectfully recommend the committee consider adding the following requirement to the bill: "The child care centers shall be required to pay all director, teacher, caregiver and/or aide staff at least \$22 per hour."

Average tuition amounts for child care may seem high—\$14,000 annually for 3- and 4-year-olds and more than \$20,000 annually for children younger than 18 months. However, these tuition rates do not actually cover the true cost of care. They represent the depressed market value of the sector.

Compensation—for workers and facilities as a whole—in the early childhood care and education sector is depressed because the history of the sector is rooted in slavery and exploited domestic labor. Previously, women, most likely women of color, were forced to provide these services without any compensation. As labor protections improved, compensation for child care workers remained depressed as providers had to prioritize fixed costs like rent and utilities.

Because of this history and present day economic realities, early childhood care and education staff remain some of Hawai'i's most undervalued professionals. A 2022 study completed by the University of Hawai'i Early Childhood Educator Excellence and Equity Project showed that **early childhood care and education professionals earned between \$13 and \$17 per hour on average**. This is well below what a person needs to make a living wage in Hawai'i.

In addition to it being an equity issue, compensating early childhood care and education professionals competitively helps retain them. It is important that keiki have consistent adult relationships, which means that retention is paramount.

It should be a priority that child care centers established in this pilot be given the compensation needed to pay their staff living wages. The committee can ensure this happens by requiring contractors to pay staff a minimum wage of \$22 per hour.

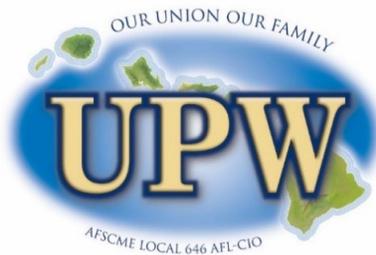
Additionally, **we respectfully ask the committee to consider including language that would mandate the center provide care for children from birth to two years of age**. This bill addresses the shortage so many families face. But, the shortage is critically acute for families trying to find infant and toddler care. The University of Hawai'i Center on the Family recently estimated that child care providers have the capacity to serve less than 10% of Hawai'i's keiki under age 3. With the attention to expansion for 3- and 4-year-olds, **it's important that we invest in increasing the stock of infant and toddler care seats in the state** simultaneously.

We would also encourage language that the department may consult with the Executive Office on Early Learning (EOEL) in the establishment of the two centers. EOEL is statutorily tasked with coordinating the early childhood system from birth to kindergarten-entry. They can provide important guidance in ensuring the centers are developmentally appropriate.

Thank you for the opportunity to provide comments on HB800. **We urge the committee to support this measure and make amendments to support early childhood care and education professionals as well as families as best as possible.**

Mahalo,

Ke'ōpū Reelitz
Director of Early Learning and Health Policy



**HOUSE OF REPRESENTATIVES
THE THIRTY-SECOND LEGISLATURE
REGULAR SESSION OF 2023**

Committee on Labor & Government Operations

Rep. Scot Z. Matayoshi, Chair
Rep. Andrew Takuya Garret, Vice Chair

Tuesday, February 7, 2023, 9:00 AM
Conference Room 309 and via Videoconference

Re: Testimony in SUPPORT of HB800 – RELATING TO CHILD CARE

Chair Matayoshi, Vice Chair Garrett, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents 1,500 members in the private sector.

UPW **strongly supports** HB800, which requires the Department of Accounting and General Services to establish and operate a child care center pilot program on Oahu for eligible children of State employees, one in or near the State Capitol and one in Kapolei. This bill also appropriates funds for the pilot program.

Hawaii has some of the nation’s highest child care costs, and the lack of access to affordable child care contributes to the State’s high cost of living. This pilot program will greatly benefit our working families by increasing Oahu’s child care supply while simultaneously creating an attractive benefit that may assist the State in the recruiting and retention of public employees. UPW believes the passage of this bill will lessen the burden on our members who have found it difficult to access high-quality and affordable child care.

Thank you for the opportunity to provide testimony.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kalani Werner". The signature is fluid and cursive, written over a light blue horizontal line.

Kalani Werner
State Director