



STATE OF HAWAII
Executive Office on Early Learning
2759 South King Street
HONOLULU, HAWAII 96826

February 11, 2024

TO: Senator Henry J.C. Aquino, Chair
Senator Sharon Y. Moriwaki, Vice Chair
Senate Committee on Labor & Technology

Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair
Senate Committee on Health and Human Services

FROM: Yuuko Arikawa-Cross, Director
Executive Office on Early Learning

SUBJECT: **Measure:** S.B. No. 2973 – RELATING TO ECONOMIC DEVELOPMENT
Hearing Date: Monday, February 12, 2024
Time: 3:00 p.m
Location: Conference Room 224

EXECUTIVE OFFICE ON EARLY LEARNING'S POSITION: Support

The Executive Office on Early Learning (EOEL) is committed to expanding early learning opportunities for all keiki across the State and supports the intent of S.B. No. 2973 and defers to the Department of Labor and Industrial Relations (DLIR) regarding implementation.

High-quality early learning programs yield substantial positive immediate and long-term, multigenerational benefits. In addition, to support growth and development, these programs allow families opportunities to continue education or work by providing a safe and secure place to enroll their children. Although the State continues to address access, affordability is still a significant barrier for Hawai'i's families. Despite efforts to keep rates low, community-based programs continue to operate on razor-thin margins, making the sustenance of these beneficial programs difficult.

This measure would establish a child care pilot grant program to provide grants to employers to assist in offering child care or caregiving support for their employees. This program could support individuals to be able to afford child care options, and would also allow for the continued maintenance of existing child care programs.

EOEL would be willing to work with the DLIR in developing provisions of the grant program should this measure pass. Mahalo for the opportunity to testify.



Chamber of Commerce HAWAII

The Voice of Business

COMMITTEE ON LABOR AND TECHNOLOGY

Senator Henry J.C. Aquino, Chair
Senator Sharon Y. Moriwaki, Vice Chair

COMMITTEE ON HEALTH AND HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair

Monday, February 12, 2024, at 3:00 p.m.
Conference Room 224

RE: SB2973 Relating to Economic Development

Chairs Aquino and San Buenaventura, Vice Chair Moriwaki, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **supports SB2973**, which requires the Department of Labor and Industrial Relations to establish a three-year childcare pilot grant program to provide grants to employers to assist in offering childcare or caregiving support for their employees.

The Chamber is in discussion with the Alzheimer's Association of Hawaii, the Office of Early Learning (OEL) and the Office of Community Services (OCS) regarding this measure. **We look forward to collaborating with them to refine this bill and offer the following amendments for consideration:**

1. Sect. 1: Amend the last paragraph to read:

Accordingly, the purpose of this Act is to strengthen economic development in Hawaii by establishing a childcare and caregiving pilot grant program aimed at assisting employers in offering childcare or caregiving support to their employees. Many of Hawaii residents are employed but cannot afford the basics and must choose between paying for essentials like food, rent, childcare and healthcare. According to the Aloha United Way, 2023 COVID and Financial Hardship in Hawaii Report, 41% of Hawaii's 490,101 households fell below the Asset Limited, Income Constrained, Employed (ALICE) threshold and 12 % met the poverty threshold in 2021. The pilot grant program will help to alleviate the burden on working families by enabling employers to provide necessary childcare and caregiver support, thereby enhancing workforce retention and productivity.

2. The program would require additional staff time; The Chamber supports the suggestion from OCS to allow the DLIR to collect an administrative fee (determined by DLIR and the state legislature) to administer the program.



3. Sect. 2 (b-c): The Chamber recommends that the language be amended to remove references to a nonprofit organization and provide that the DLIR may contract the administration of the pilot program to a third-party organization within the prescribed administrative rules and procurement standards as required by the department. The DLIR may determine the maximum administrative costs to be collected by the contractor.
4. Sect. 2 (h)(2):
 - a. amend to add that a “qualified employer” means a small businesses (500 employees or less)
 - b. amend to add that a “qualified employee” means an individual or household that meets the low-income and/or ALICE threshold and has a household member that requires childcare or caregiving services.
 - c. Amend to add that a “qualified childcare” and “caregiving providers” must be licensed centers in good standing with all state regulations, laws, and standards and currently operating a “day” care center for kupuna, children or persons with disabilities.
5. Sect. 3: Remove the appropriation of \$500,000 and leave the amount blank to facilitate further discussion about the amount needed for the grant program to be viable.
6. Sect. 3: Add language to provide a dollar amount cap that limits the annual assistance allowed per individual or household for caregiving or childcare services.

The Chamber works closely with DLIR in support of Hawaii’s workforce development efforts, ensuring Hawaii businesses have a skilled, local talent pipeline and provides kamaaina families with sustainable careers, providing upward mobility and personal satisfaction. In discussions with our members, increasing the availability of childcare and caregiving services for kupuna is a high priority and necessary for the viability of our workforce. The economic resiliency and financial recovery of our local business community depends upon the strength and availability of our workforce.

Limited access to childcare and kupuna care is a significant challenge faced by our local workforce and a leading contributor to Hawaii’s current workforce shortage crisis in every industry. The high cost of living, lack of affordable housing and expensive care services for loved ones make it difficult for our workforce to make ends meet in Hawaii. A grant program that could provide financial support to cover the expenses of caregiving and childcare demands could help working individuals return to the local workforce and stay in Hawaii.



Chamber *of* Commerce HAWAII

The Voice of Business

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Thank you for the opportunity to testify.



Chamber of Commerce HAWAII

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Senator Henry J.C. Aquino, Chair
Senator Sharon Y. Moriwaki, Vice Chair

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Limited access to childcare and kupuna care is a significant challenge faced by our local workforce and a leading contributor to Hawaii’s current workforce shortage crisis in every industry. The high cost of living, lack of affordable housing and expensive care services for loved ones make it difficult for our workforce to make ends meet in Hawaii. A grant program that could provide financial support to cover the expenses of caregiving and childcare demands could help working individuals return to the local workforce and stay in Hawaii.



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Thank you for the opportunity to testify.



**TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII
FEBRUARY 12, 2024
Re: SB 2973 RELATING TO ECONOMIC DEVELOPMENT**

Good afternoon, Chair Aquino and Chair San Buenaventura and members of the Senate Committee Labor & Technology and the Senate Committee on Health & Human Services. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901 and is a statewide, not for profit trade organization committed to supporting the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, on-line sellers, local, national, and international retailers, chains, and everyone in between.

We SUPPORT SB 2973 This measure requires the Department of Labor and Industrial Relations to establish a three-year childcare pilot grant program to provide grants to employers to assist in offering childcare or caregiving support for their employees.

We have seen since the pandemic, many companies, especially those that are customer service oriented, are having a difficult time finding employees to hire. One of the reasons people are not going back to work is due to childcare issues. Offering childcare facilities is a competitive advantage in the job market and may attract and enhance employee retention by demonstrating a commitment to the well-being of employees and their families.

For those employers who have the space and the resources to have an affordable childcare facility on their property would be a plus for their employees who can focus better on their work knowing they access to reliable childcare services and can be assured that their children are well taken care of during working hours. Also, with a childcare facility closer to where they work, employees are not stressed trying to pick up their children before being penalized for late pick up. They contribute to a better work-life balance for employees, reducing stress and allowing them to dedicate more energy to both their professional and personal responsibilities.

We hope that you will pass this measure.

Mahalo for this opportunity to testify.



1050 Bishop St. PMB 235 | Honolulu, HI 96813
P: 808-533-1292 | e: info@hawaiiifood.com

Executive Officers

Gary Okimoto, Safeway Hawaii, *Chair*
Maile Miyashiro, C&S Wholesale Grocer, *Vice Chair*
Kit Okimoto, Okimoto Corp., *Secretary/Treas.*
Lauren Zirbel, HFIA, *Executive Director*
Paul Kosasa, ABC Stores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*
Toby Taniguchi, KTA Superstores, *Advisor*
Joe Carter, Coca-Cola Bottling of Hawaii, *Advisor*
Eddie Asato, Pint Size Hawaii, *Immediate Past Chair*

TO: Committee on Labor and Technology and Committee on Health and Human Services

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 12, 2024
TIME: 3pm
PLACE: 224

RE: SB2973 Relating to Economic Development

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

Chairs, Vice Chairs, and Members of the Committees,

HFIA is in support of this measure. Prior to the COVID-19 pandemic workforce shortages was one of the primary concerns for food industry businesses. The pandemic, economic downturn, workers leaving Hawaii, and great resignation have all greatly exacerbated the labor crisis. Childcare can be a critical component in bringing more workers into the workforce and alleviating the labor shortage.

Many of our businesses want to be involved in helping their employees, and potential employees, find great childcare. This measure supports those efforts and gives our businesses a resources to become part of the solution to this issue.

We encourage the committee to pass this measure and we thank you for the opportunity to testify.

2024 Hawaii Leadership Board

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Community Advocate

Dr. Pokii Balaz, Immediate
Past Chair
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Kokua Kalih Valley*

Tricia Medeiros, Past Chair
*Chief Operating Officer
The Plaza Assisted Living*

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*Senior Vice President
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*Financial Advisor
Edward Jones*

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*Vice President
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Gino Soquena
*Executive Director
Hawaii Building and
Construction Trade Council*

Gordon Takaki
*Past President
Hawaii Island Chamber of
Commerce*

Cary Tanaka
*Past President
Island Insurance
Companies*

Caroline Witherspoon
*President
Becker Communications*

LJ R. Duenas
*Executive Director
Alzheimer's Association*

Testimony to the Senate Committee on Labor and Technology and the Senate Committee on Health and Human Services Monday, February 12, 2024; 3:00 p.m. Hawaii State Capitol, Conference Room 224, and Videoconference

RE: SENATE BILL NO. 2973 – RELATING TO ECONOMIC DEVELOPMENT

Chairs Henry Aquino and Joy San Buenaventura, Vice Chair Sharon Moriwaki, and Members of the Committees:

I am Ron Shimabuku, Director of Public Policy and Advocacy for the Alzheimer's Association. We testify in SUPPORT of Senate Bill No. 2973.

The Alzheimer's Association was established to assist those facing Alzheimer's disease and other dementias by providing local support groups and educational resources while advancing crucial research and public policy initiatives.

Alzheimer's disease is a public health crisis across the country. In Hawaii, approximately 29,000 individuals aged 65 and older live with Alzheimer's disease. This figure is projected to increase to over 35,000 by next year. In 2022, 60,000 family caregivers provided 91 million hours of unpaid care valued at \$1.9 billion.

The bill, as received by your Committee, would establish a three-year child care pilot grant program to provide grants to employers to assist in offering child care or caregiving support for their employees.

The Alzheimer's Association stands in support of all efforts to acknowledge the critical role that caregivers provide to their loved ones and the community. We ask you to pass Senate Bill No. 2973.

Mahalo for the opportunity to testify. If you have questions, please contact Ron Shimabuku at 808.451.3410 or rkshimabuku@alz.org.



Ron Shimabuku
Director, Public Policy and Advocacy
Alzheimer's Association – Hawaii



Testimony to the Senate Committee on Labor and Technology and to the Senate
Committee on Health and Human Services
Monday, February 12, 2024
3:00 p. m.
State Capitol Conference Room 224 and via videoconference

Re: SB 2973 Relating to Economic Development

Dear Chair Aquino, Vice Chair Moriwaki, Honorable Members of the Senate Committee on Labor and Technology, Chair San Buenaventura, and Honorable Members of the Senate Committee on Health and Human Services:

I am Gary Simon, a member of the board of the Hawai'i Family Caregiver Coalition, whose mission is to improve the quality of life of those who give and receive care by increasing community awareness of caregiver issues through continuing advocacy, education, and training. I am offering testimony on behalf of the Hawai'i Family Caregiver Coalition.

The Hawai'i Family Caregiver Coalition supports SB 2973, which requires the Department of Labor and Industrial Relations to establish a three-year childcare pilot grant program to provide grants to employers to assist in offering childcare or caregiving support for their employees.

The Hawai'i Family Caregiver Coalition supports all policies and programs which help caregivers and their care recipients.

We urge you to support SB 2973, and we urge you to recommend its passage.

Mahalo for seriously considering the bill.

Very sincerely,

A handwritten signature in black ink that reads "Gary Simon".

Gary Simon



Email gSimon@aarp.org



Hearing Date: Monday, February 12, 2024, 3:00 pm, Conference Rm. 224

To: Senate Committee on Labor and Technology
Chair, Senator Henry J.C. Aquino,
Vice Chair, Senator Sharon Y. Moriwaki
And
Senate Committee on Health and Human Services
Chair, Senator Joy A. San Buenaventura
Vice Chair, Henry J.C. Aquino

Re: TESTIMONY IN SUPPORT OF SB 2973, RELATING TO ECONOMIC DEVELOPMENT

Dear Chairs Aquino and San Buenaventura, Vice Chair Moriwaki and Members of Committees,

Members of AAUW of Hawaii thank you for this opportunity to testify in support SB 3973, Relating to Economic Development which would establish a child care and caregiving pilot grant program to assist employers in offering child care and caregiving support to their employees.

Hawaii has a shortage of qualified employees to fill the many vacant, but critical, positions across industries and communities. Child care and other types of care-giving services are extremely expensive, especially in relation to Hawaii's notoriously low paying salaries. These family demands often prevent qualified workers, especially women, from joining the labor force and, thereby, stifling economic growth.

As well as benefiting employees and their families, this proposed pilot program is good for businesses. Many companies are having significant difficulty recruiting qualified employees who often initially choose to apply to a potential employer based their benefit package and, in particular, how they are seen to value and care for their staff. This benefit will also increase employee retention and loyalty, thus strengthening the health of businesses.

Having children actually penalizes women in the workforce. The Institute for Women's Policy Research reports 50.5% of households with children in Hawai'i have mothers who are the main source of family income. However, women working full time make only \$.76 for every dollar working fathers make in Hawaii. Finding affordable, quality child care is a major obstacle preventing mothers from securing a well-paid, stable job. This measure can help alleviate this gender pay imbalance and encourage qualified women (and men) to join the workforce.

Please pass this measure and mahalo for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Jean Evans".

Jean Evans
Public Policy Committee, AAUW of Hawaii
publicpolicy-hi@aauw.net

The American Association of University Women (AAUW) of Hawaii is an all-volunteer, statewide chapter of a national organization and is made up of six branches: Hilo, Honolulu, Kauai, Kona, Maui, and Windward Oahu. AAUW's mission is to advance gender equity for equal opportunities in education, at workplace and for economic security, and in leadership.

SB-2973

Submitted on: 2/6/2024 4:46:26 PM

Testimony for LBT on 2/12/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Younghee Overly	Individual	Support	Written Testimony Only

Comments:

Mahalo nui for hearing SB2973 which would require DLIR to establish a three-year child care pilot grant program. With the average childcare expense in Hawai'i being \$1700 per month, the working mothers/families really need help.

LATE



COMMITTEE ON LABOR AND TECHNOLOGY

Senator Henry J.C. Aquino, Chair
Senator Sharon Y. Moriwaki, Vice Chair

COMMITTEE ON HEALTH AND HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair

February 12, 2024
3:00 p.m. Room 224

RE: SB 2973 Relating to Economic Development

Aloha Chair Henry J.C. Aquino, Chair Joy A. San Buenaventura, Vice Chair Sharon Y. Moriwaki, and members of the Committee on Labor & Technology and the Committee on Health and Human Services:

The Society of Human Resource Management – Hawaii (“SHRM”) supports SB 2973, which requires the Department of Labor and Industrial Relations to establish a three-year childcare pilot grant program to provide grants to employers to assist in offering childcare or caregiving support for their employees.

As the leading human resources organization in Hawaii, we are concerned about the severe workforce shortages exacerbated by the lack of affordable childcare and kupuna care options for employees. We support the concept of this program proposed by this bill that would provide financial support to working individuals who struggle to cover the expenses of childcare and kupuna care services in Hawaii. This program supports employees by allowing them to return to the workforce with the confidence that their loved ones are receiving quality care. This contributes to the overall economic resiliency of our workforce and our business community. We do respectfully suggest that the funds for this program not exceed \$500,000 rather than an unlimited amount “necessary” so that there is a reasonable impact on the state’s overall budget.

SHRM Hawaii serves and represents nearly 600 members and employers’ statewide and human resource management is a critical component to the success and survival of the many businesses that make up our local economy. HR professionals are responsible for evaluating and balancing the needs of both the employers and employees and caring for businesses’ most valuable asset: the working people of our state.

Thank you for this opportunity to provide testimony.

Erin Kogen and Rosanne M. Nolan
Co-chairs, SHRM Legislative Affairs Committee

LATE

February 12, 2024

Committee on Labor and Technology
Senator Henry J.C. Aquino, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Committee on Health and Human Services
Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair

Monday, February 12, 2024, 3 p.m.
Conference Room #229 and Videoconference



Working together for Kapolei

RE: SB 2973 Relating to Economic Development (Childcare and Caregiver Grant)

Dear Chair Aquino, Chair Buenaventura, Vice Chair Moriwaki and members of the Committee,

My name is Kiran Polk, and I am the Executive Director of the Kapolei Chamber of Commerce. The Kapolei Chamber of Commerce is an advocate for businesses in the Kapolei region and West O'ahu. The Chamber works on behalf of its members and the entire business community to improve the regional and State economic climate and help Kapolei businesses thrive. We are a member-driven, member-supported organization representing the interests of all types of business: small, medium or large, for profit or non-profit businesses or sole proprietorship.

The Kapolei Chamber of Commerce **supports SB 2973**, which requires the Department of Labor and Industrial Relations to establish a three-year childcare pilot grant program to provide grants to employers to assist in offering childcare or caregiving support for their employees.

Kapolei Chamber of Commerce has established itself as a *Career Hub* for West O'ahu. The workforce development programmatic efforts of the Kapolei Chamber's '*West O'ahu Works*' initiative provides support for our west side businesses. The Kapolei region is the fastest growing region in our state. We have seen first-hand that our businesses are struggling with staffing shortages. **Young families cannot afford childcare and our aging population is leaning in on those in our current workforce for care. As a result, the severe workforce shortages are exacerbated by the lack of affordable childcare and kupuna care options for employees.**

This program supports employees by allowing them to return to the workforce with the confidence that their loved ones are receiving quality care and contributes to the overall economic resiliency of our workforce and our business community. As our small businesses face challenges with staffing shortages and inflationary impacts, this grant program is a solid investment. Thank you for this opportunity to provide testimony.

Best,

Kiran Polk
Executive Director