



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

January 31, 2023

TO: Representative John M. Mizuno, Chair
Representative Terez Amato, Vice Chair
House Committee on Human Services

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

SUBJECT: Measure: H.B. No. 391 – RELATING TO CHILD CARE
Hearing Date: Thursday, February 2, 2023
Time: 9:00 am
Location: Conference Room 329

EXECUTIVE OFFICE ON EARLY LEARNING'S POSITION: Support the Intent

EOEL supports the intent of H.B. No. 391 and defers to the Department of Human Services regarding implementation.

EOEL is committed to increasing access to early learning opportunities while building the infrastructure needed to make sure the State's investment reaps the intended returns. One of the things we've learned from our program, as well as our collaborative work across private and public partners in the field, is that most of us cannot find enough qualified staff.

Challenges in recruiting and retaining qualified staff are a significant barrier to sustaining the early learning workforce. **EOEL recognizes that increasing compensation is an effective way to increase recruitment and retention of a qualified early learning workforce.** Despite working in a specialized field with health, safety, and educational requirements and having higher levels of education than the average American worker (Whitebook et al., 1990), many early childhood care and education providers remain at the second or third percentile in the Bureau of Labor and Statistics rankings of occupation, making wages comparable to that of parking lot attendants, bartenders, and laundry service workers.

The median wage of child care workers in Hawaii ranges from \$13 and \$17 per hour, with national trends suggesting that the younger the age of the child being served, the lower the pay for those educators. Furthermore, 16 percent of child care workers are living in poverty, compared to the 10 percent of the general population in Hawaii (Early Childhood Workforce Index, 2020). We also know that our youngest keiki, our infants and toddlers, are one of our biggest gap groups in Hawaii with families facing difficulties in being able to find and secure care.

Hawaii's early childhood care and education professionals are some of the most undervalued in our state. EOEL supports the intention of the bill to focus on those who service our youngest keiki as those are the most likely to be furthest from fair wages.

We look forward to continuing to work with the Legislature to support increasing access to quality early learning programs and services and the workforce in the State. Thank you for the opportunity to testify on this bill.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-SECOND LEGISLATURE, 2023**

ON THE FOLLOWING MEASURE:
H.B. NO. 391, RELATING TO CHILD CARE.

BEFORE THE:
HOUSE COMMITTEE ON HUMAN SERVICES

DATE: Thursday, February 2, 2023 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 329

TESTIFIER(S): Anne E. Lopez, Attorney General, or
James W. Walther or Melissa J. Kolonie, Deputy Attorneys General

Chair Mizuno and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purpose of this bill is to require the Department of Human Services to develop a two-year child care worker subsidy pilot program to retain existing early child care workforce in licensed infant and toddler center settings. It also appropriates funds for the child care worker subsidy pilot program.

The bill provides an appropriation of public money, on page 4, lines 13-19, for the purpose of providing subsidies to infant and toddler child care workers working in licensed infant and toddler centers. Article VII, section 4, of the Constitution of the State of Hawaii provides that, "[n]o grant of public money or property shall be made except pursuant to standards provided by law." This bill does not include standards by which the Department of Human Services is to distribute the funds to program participants. We therefore recommend that this bill be amended to insert sufficient standards for the Department of Human Services to distribute the funds appropriated in this bill as subsidies to infant and toddler child care workers working in licensed infant and toddler centers. Examples of existing statutes that provide standards for agencies to expend funds are part II of chapter 9, and sections 10-17, 210D-11, and 383-128, Hawaii Revised Statutes, which provide standards for the administrative grant of public money. Additionally, we have attached draft standards to this testimony as a sample to work from and we are happy to work with you on developing more specific standards.

Thank you for the opportunity to provide comments.

POSSIBLE STANDARDS FOR THE GRANTS IN THIS BILL

I. DEFINITIONS

Definitions. As used in this Act, unless the context clearly requires otherwise:

"Department" means the department of human services.

"Private educational institution" means a non-public entity that provides: (1) educational services for any grades from kindergarten through grade twelve; (2) post-secondary education; or (3) pre-kindergarten level services that are provided by an entity that holds itself out to the public as a school or educational institution, or that are identified by the entity as educational services rather than solely as child care services.

"Recipient" means a child care provider receiving a subsidy.

"Subsidy" means an award of state funds to a specified recipient to support the activities of the recipient and permit the community to benefit from those activities.

II. APPLICATIONS

Applications for subsidies. Requests for subsidies shall be submitted to the department in accordance with the administrative rules adopted by the department to administer the subsidy program. Each request shall at a minimum state:

- (1) The name of the child care provider requesting a subsidy;
- (2) The subsidy amount being requested; and
- (3) The age range of the children that the child care provider serves.

III. STANDARDS

Qualifying standards for grant funds. A child care provider applying for a subsidy shall meet the following

standards; specifically, the applicant shall provide proof that the applicant:

- (1) Has United States citizenship or permanent United States resident alien status and is a resident of the State of Hawaii at the time of application;
- (2) Is currently licensed or registered as a child care provider, or is an exempt provider approved by the department;
- (3) Provides infant and toddler child care at the time of application;
- (4) Complies with other federal, state, or county statutes, rules, or ordinances, necessary to conduct the activities or provide the services for which a grant is awarded;
- (5) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
- (6) Agrees not to use state funds for entertainment or lobbying activities;
- (7) Allows department, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant;
- (8) Is employed by a child care facility that is not part of or owned or operated by or as a private educational institution;
- (9) Satisfies any other standards that may be required by the source of funding; and

- (10) Meets all other standards prescribed in rules adopted by the department to implement the subsidy.

IV. REVIEW OF APPLICATION

Required review of requests for subsidies. (a) Every request for subsidies shall be reviewed in accordance with this section.

(b) Every request for a subsidy shall be submitted to the department on an application form provided by the department. Each application shall at a minimum contain the information in section [__].

(c) The department shall review each request to determine whether the applicant is eligible to receive a subsidy.

(d) The department shall make a final decision on each request.

(e) The department shall inform each subsidy applicant of the disposition of the application's request.

(f) The appeal process in the department's rules shall be available for any applicant who is denied a request for subsidy.

V. CONTRACTS

Contracts. The department shall not release the public funds approved for a grant unless a contract is entered into between the department and the recipient of the grant. The department shall develop and determine, in consultation with and subject to the review and approval of the attorney general, the specific contract form to be used.

VI. ALLOTMENT

Allotment. Appropriations for subsidies to be made under this Act shall be subject to the allotment system generally applicable to all appropriations made by the legislature.

VII. MONITORING AND EVALUATION

Monitoring and evaluation. (a) Every department subsidy contract shall be monitored by the department to ensure compliance with this part.

(b) Every department subsidy contract shall be evaluated annually to determine whether the subsidy attained the intended results in the manner contemplated.

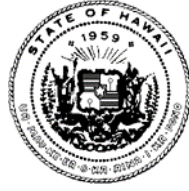
VIII. DUTY TO DISCLOSE AND PENALTY

Continued eligibility. Any recipient of a subsidy who withholds or omits any material fact or deliberately misrepresents facts to the department shall be in violation of this part. In addition to any other penalties provided by law, any recipient found by the department to have violated this part or the terms of its contract shall be prohibited from applying for any department subsidies for a period of five years from the date of termination.

IX. RULES

Rules. The department shall adopt rules, which may be done without regard to chapter 91, to administer the child care worker subsidy pilot program.

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 1, 2023

TO: The Honorable Representative John M. Mizuno, Chair
House Committee on Human Services

FROM: Cathy Betts, Director

SUBJECT: **HB 391 – RELATING TO CHILD CARE.**

Hearing: February 2, 2023, 9:00 a.m.
Conference Room 329 & Videoconferencing, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of the bill and provides comments. DHS respectfully requests that any appropriation not reduce or replace priorities identified in the executive budget.

PURPOSE: The purpose of the bill requires the Department to develop a child care worker subsidy pilot program to assist in retaining qualified child care workers in licensed infant and toddler child care centers.

The COVID-19 pandemic completely disrupted the child care industry, predominately comprised of women-led small businesses. However, the pandemic also highlighted the importance of safe and regulated child care as a fundamental necessity for families to continue to work and contribute to the economy. As a result, Congress authorized child care stabilization grants for providers, increased child care funding for subsidies, and allowed program waivers to assist more families.

Between October 2021 and December 2022, DHS disbursed nearly \$72M with the American Rescue Plan Act of 2021 Stabilization Grant program to six hundred sixteen (616)

licensed and registered homes, centers, and legally exempt centers. In addition, eligible child care workers received a \$2,500 staff retention bonus and a \$1,000 health and wellness bonus. The Department continues to work with licensed child care providers and community stakeholders to strategize ways to retain and recruit qualified preschool staff.

The Department respectfully recommends that state general funds be appropriated into the Child Care Grant Program Special Fund, from which DHS will disburse grant awards to eligible private child care providers who meet standards that DHS will establish. While Congress authorized COVID-19 pandemic federal funds to subsidize child care wages, we are consulting with federal advisors about how the Child Care Development Fund or the Child Care Development Block Grant may be used to subsidize wages for contracted child care slots. Other than contracted child care slots, these federal funds cannot be used for direct wage subsidies.

The Department recommends that appropriated state general funds be deposited into the Child Care Grant Program Special Fund, from which DHS will disburse grant funds to eligible private child care providers who meet standards that DHS establishes to implement and administer the pilot program.

DHS respectfully requests the following amendment:

- Section 2, page 2, at lines 19-21, "Participants shall not be employed by the Department of education, public charter schools, ~~or~~ federally funded early head start program, or a private educational institution;"

Licensed infant and toddler child care centers shall be responsible to disburse the subsidized participant's wages and ensure that all participants are paid at least \$16.00 per hour. DHS will work with licensed centers to ensure they appropriately provide the subsidized portion of their employee's wages. DHS does not have the current capacity to issue payments directly to each eligible participant for the proposed two-year period.

If the measure passes, the Department respectfully requests that the effective date is after or later than December 31, 2023. DHS needs additional time to make the necessary program and system changes and develop administrative processes and rules to establish and implement the infant and toddler child care worker subsidy pilot program.

DHS will provide cost estimates to establish, implement, and administer the child care worker subsidy pilot program as the measure progresses.

Thank you for the opportunity to provide testimony on this bill.

HB-391

Submitted on: 2/1/2023 11:24:58 PM

Testimony for HUS on 2/2/2023 9:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|----------------------|--|---------------------------|------------------------|
| Khara Jabola-Carolus | Hawaii State Commission on the Status of Women | Support | Written Testimony Only |

Comments:

HB391 will advance gender equality by narrowing the gender pay gap through increased wages in a female workforce and feminized sector, and indirectly by increasing the provider pool and childcare seats.

HSCSW asks the Committee to pass this important bill.

Mahalo,

Khara Jabola-Carolus

Aloha Chair and members of the committee,

The Hawai'i Association of School Psychologists supports HB391. The intent of this bill is to ensure families have access to early childhood care and education from birth to Kindergarten by improving pay for the professionals who work in those classrooms. We support this measure as a first step toward supporting early childhood care and education professionals.

The benefits of high quality early childhood care and education are well-researched by Dr. James Heckman, Nobel-Prize winning economist at the University of Chicago. His research has demonstrated that high-quality, birth-to-five early childhood education yields a 13% return on investment and a higher rate of return than preschool alone. His research has also demonstrated that skills developed in such programs last for a lifetime (www.heckmangequation.org)

Respectfully Submitted:

Alec Marentic, NCSP

HASP President



TORI RICHARD®
HONOLULU

Tuesday, January 31st, 2022

HB 391 -Relating to a Childcare worker subsidy pilot program.

Aloha Chair Mizuno, Vice Chair Amato and committee members,

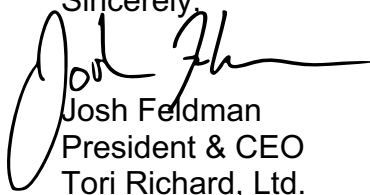
As a medium-sized Hawaii employer nearly 7 decades, in recent years we have seen many employees leave the workforce due to a lack of access to early childhood care and education. One of the greatest economic challenges facing Hawaii is ensuring our working population can afford to stay in Hawaii and remain in the workforce. To help ensure families have access to early childhood care and education from birth to kindergarten, we must improve pay for the professionals who help staff these classrooms in order to retain and attract these workers. Please support the creation of a child care worker subsidy pilot program as the first step toward improving wages for early childhood care and education professionals.

Hawaii's early childhood care and education professionals are some of the most undervalued in our state. We think it best to start with those most likely to be farthest from fair wages. A 2022 study completed by the University of Hawaii Early Childhood Educator Excellence and Equity Project showed that on average between \$13 and \$17 per hour. National trends suggest that the younger the child is that you care for and educate the lower your pay is likely to be.

Preschools, child care providers and families already carry a heavy burden. They cannot carry more without support. Because Hawaii's early childhood care and education professionals provide a public good, it requires public investment. Starting with our early childhood care and education professionals who are most likely to be farthest from fair wages makes sense. Starting with our infant and toddler childcare providers also helps families access quality care from the time babies need it most.

Please support this measure.

Sincerely,



Josh Feldman
President & CEO
Tori Richard, Ltd.



Keiki O Ka 'Āina Family Learning Centers
3097 Kalihi Street
Honolulu, HI 96734

Aloha Chair Mizuno, Vice Chair Amato and committee members:

To ensure families have access to early learning from birth to kindergarten, **we must improve wages for the professionals who are the heart of those classrooms.** Please support the creation of a ***Child Care Worker Subsidy Pilot Program*** as the first step toward improving wages for early learning professionals.

Hawai'i's early learning professionals are some of the most undervalued in our state. This pilot project will start with those most likely to be farthest from fair wages. A 2022 study completed by the University of Hawaii Early Childhood Educator Excellence and Equity Project showed that, on average, pay for early learning professionals range between \$13 and \$17 per hour. National trends suggest that the younger the child is that you care for and educate the lower your pay is likely to be.

Keiki O Ka 'Āina owns and operates 9 family learning centers, three preschool classrooms, and two infant-toddler centers. There are approximately 60 early learning professionals working in these programs. They are specifically educated and trained to provide high quality education and care for families with keiki birth through 4 years old. We realized early on that an early learning professional's wages must be comparable to what we are requiring of them to do on the job. They must be comparable to the education and experience we require. Finally, they must be comparable to what is considered a livable wage for Hawai'i, or more. Therefore, we are doing something about it. Because we know, our keiki and families are worth it.

Hawai'i's early learning professionals provide a public good. This requires public investment. We have to start now.

Please support this measure.

*Melodie Vega, Chief Early Education Officer
Keiki O Ka 'Āina Family Learning Centers*

HB-391

Submitted on: 1/31/2023 4:48:02 PM

Testimony for HUS on 2/2/2023 9:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Ed Schultz | Hawaiian Host Group | Support | Written Testimony Only |

Comments:

Aloha Chair Mizuno, Vice Chair Amato and committee members,

To ensure families have access to early childhood care and education from birth to kindergarten, we must improve pay for the professionals who are the heart of those classrooms. Please support the creation of a child care worker subsidy pilot program as the first step toward improving wages for early childhood care and education professionals.

Hawai‘i’s early childhood care and education professionals are some of the most undervalued in our state. In piloting solutions, we want to start with those most likely to be farthest from fair wages. A 2022 study completed by the University of Hawaii Early Childhood Educator Excellence and Equity Project showed that on average between \$13 and \$17 per hour. National trends suggest that the younger the child is that you care for and educate the lower your pay is likely to be.

Preschools, child care providers and families already carry a heavy burden. They cannot carry more without support. Because Hawai‘i’s early childhood care and education professionals provide a public good, it requires public investment.

We have to start somewhere with wage increases; starting with our early childhood care and education professionals who are most likely to be farthest from fair wages makes sense. Starting with our infant and toddler child care providers also helps families access quality care from the time babies need it most.

Please support this measure.



To: Representative Mizuno, Chair
Representative Amato, Vice Chair
House Committee on Human Services

Re: HB391, relating to child care
9:00 a.m., Feb. 2, 2023

Aloha Chair Mizuno, Vice Chair Amato and committee members:

On behalf of Hawai'i Children's Action Network (HCAN) Speaks!, mahalo for the opportunity to **testify in STRONG SUPPORT of House Bill 391, relating to child care.**

At the heart of every early childhood care and education program are the professionals who cultivate the nurturing environment where our youngest keiki can grow, learn and thrive. Families will tell you that when they make their choices about child care one of the biggest priorities is the professionals doing the work of early care and education.

Too often though, these critical professionals do not make a living wage. In 2020, a study found that **1 in 3 child care workers faced food insecurity.** A 2022 study completed by the University of Hawaii 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 significantly below what's needed for a living wage. Nationally, we see that **those caring for and educating our youngest children—birth through 2 years old—tend to make the least of all child care workers and early childhood educators.**

Early childhood care and education professionals provide a public good that deserves public investment. They help children build critical skills that they'll rely on their entire lives. Infant and toddler care and education professionals are especially important. A child's most rapid brain development happens between birth and three. The professionals who care for and educate them help infants and toddlers build vital skills that lay the foundation for lifelong education—building foundations in social-emotional skills, math, motor skills and literacy.

In addition to helping develop the next generations of curious and engaged citizens, infant and toddler child care professionals enable parents, caregivers and other family members to go to work. **They are the workforce behind so many other workforces.**



Even as critical as these professionals are, we are losing them in droves. According to the Center for the Study of Child Care Employment, Hawai'i lost 20% of its early childhood care and education workforce between 2018 and 2020. Even more left the field during the pandemic. Nationally, more than 7% of the workforce have not returned. This means that **over the last five years, we have likely lost a quarter of the early childhood care and education workforce.**

We need to retain the dedicated professionals currently in the workforce and attract the next generation of child care workers and early childhood educators. These efforts must start with raising their wages.

This bill is a crucial step forward in raising wages. HB391 requires the Department of Human Services (DHS) to pilot a program that would provide wage subsidies for staff in infant and toddler centers. The focus on infant and toddler centers makes sense because those educators are more likely to be farthest from fair wages. **It also helps identify a portion of the workforce small enough for DHS to be able to innovate solutions to implement this program long-term.** We hope that if this pilot program is successful, it can be implemented for early childhood care and education professionals across the birth to kindergarten continuum.

We recognize that HB391 and HB547 are very similar. The most important components of what we believe it takes for a successful program are in each of the bills. Thus, we do not have a preference on which of the bills moves forward. **We urge this committee to advance a measure that will establish a pilot program specifically for lead caregivers, caregivers and child care aides in licensed infant and toddler centers.**

Mahalo,

Ke'ōpū Reelitz
Director of Early Learning and Health Policy

Feb. 1, 2023

To: Representative John Mizuno, Chair
Representative Terez Amato, Vice-Chair
House Committee on Human Services

Subject: **Measure** – HB 391 RELATING TO CHILD CARE
Hearing Date – Feb. 2, 2023
Time - 9:30 AM
Location - Room 329

My name is Dr. Terry Lock. I am with the University of Hawai'i at Mānoa (UHM) College of Education (COE) and serve as the director of the Hawai'i Early Childhood Educator Excellence and Equity (ECE³) Project.

This testimony is in support of HB 391.

Every young child will benefit from a high-quality early childhood program, staffed by well-prepared, well-supported, and well-compensated early care and education (ECE) professionals. However, low wages, limited benefits, and poor working conditions, along with the cost of living in Hawaii, has made it very difficult to recruit and retain educators.

To better understand these issues, the project I lead at the UH at Mānoa commissioned the RAND Corporation to study Department of Human Services (DHS) licensed child care center staff and regulated family child care providers and found that on average they earn between \$13 and \$17 per hour.

Through focus groups and survey responses in this study, early educators described the difficult tension between their low wages and the messaging about the importance of early childhood development and education for children's success in school and in life. The wages for the ECE professionals who spend the most time caring for and educating children during this life phase do not reflect the perceived importance of their work.

In fact, Hawai'i's early childhood care and education professionals are some of the most undervalued in our state. Therefore, we must improve pay for the professionals who are the heart of these programs while not adding more cost to the preschools, child care programs and families that already carry a heavy burden. They cannot carry more without support.

Because Hawai'i's early childhood care and education professionals provide a public good, it requires public investment.

We have to start somewhere with wage increases; starting with our early childhood care and education professionals who are most likely to be farthest from fair wages makes sense. Starting with our infant and toddler child care providers also helps families access quality care from the time babies need it most.

Please **support the creation of a child care worker subsidy pilot program** as the first step toward improving wages for early childhood care and education professionals.

Mahalo for the opportunity to testify.



**TITLE GUARANTY
HAWAII**

February 1, 2023

Committee: House Committee on Human Services
Bill Number: HB 391, Relating to Child Care
Hearing Date & Time: February 2, 2023 at 9:00am (Room 329)
Re: Testimony of Title Guaranty of Hawai'i in support

Aloha Chair Mizuno, Vice Chair Amato, and Committee Members:

We write in support of HB 391, Relating to Child Care. This bill requires the Department of Human Services to pilot a program to provide wage supplements or subsidies for early childhood care and education professionals, starting first with those professionals who specialize in infant and toddler care.

Title Guaranty of Hawai'i is the oldest and largest title company in the state. We have been owned and operated by a kama'aina family since 1896 and we are proud to employ over 300 people who work in our branches all across the state. Being a longtime employer of so many people in Hawai'i, we know how important it is that our employees have access to quality and affordable child care. But we also know it's difficult for people to obtain child care in Hawai'i and when they do, it can be prohibitively expensive. For many parents, including those who work for us, being able to access child care they can afford is what allows them to continue to work. So, not having access is bad for us as an employer, stressful for the parents who we employ, and—most importantly—detrimental to the children. As not just a longtime employer, but also a committed member of our local community, we're lending our voice to support this effort because it is so important.

Early childhood care and education professionals are critical to young children's development. It is in their first three years when children's brains develop most rapidly. That means infant and toddler child care providers are critical to shaping the next generation of responsible, curious and contributing Hawai'i residents. These professionals come to their work with training that is specialized so that they can work with young children to grow and learn in developmentally appropriate ways. But we do not pay these folks nearly enough, which is why so many of them are leaving the profession. We can't afford to keep losing them.

This child care worker subsidy pilot program is a smart first step toward improving wages for early childhood care and education professionals, and we are happy to support it.

Sincerely,

Mike B. Pietsch
President and Chief Operating Officer
Title Guaranty of Hawai'i



Title and Escrow is our business. Hawaii is our home.





February 1, 2023

Committee: House Committee Human Services
Bill Number: HB 391, Childcare worker subsidy pilot program
Hearing Date and Time: February 2, 2023 at 9:00am
Re: Testimony of HPM Building Supply in Support

Dear Chair Mizuno, Vice Chair Amato, and Committee Members:

I would like to submit this letter and written testimony in support of HB 391, Relating to the childcare worker subsidy pilot program. The purpose of HB 391 is to a pilot subsidy program to support childcare workers.

HPM Building Supply is a 101-year-old company that has been helping Hawaii build better since its founding in 1921. As a State-wide employer with over 500 employees, we understand that many of our employees face childcare decisions daily. Much-needed childcare services gives parents peace of mind to go to work knowing their child is being taken care of.

This bill seeks to improve the support of childcare workers by increasing wages by appropriating State funds. These early childhood workers are underpaid, and they provide a necessary public good. Increasing the minimum wage of these workers would assist with recruitment and retention.

This bill also aligns with HPM's values of Heart, Character, and Growth. By supporting early childhood workers and educators, we invest in our future. We show that we care about the future generations and our current workforce shaping it. Our company's value of Heart is caring for one another as a community.

Thank you for the opportunity to provide testimony in support of HB 391. I strongly encourage your support and passage of this measure.

Sincerely,

Jason Fujimoto
President & CEO





Date: February 1, 2023

To: House Committee on Human Services
Representative John M. Mizuno, Chair
Representative Terez Amato, Vice Chair

From: Early Childhood Action Strategy

Re: Support for HB391, Relating to Child Care

Early Childhood Action Strategy (ECAS) is a statewide cross-sector collaborative designed to improve the system of care for Hawai'i's youngest children and their families. ECAS partners work to align priorities for children prenatal to age eight, streamline services, maximize resources, and improve programs to support our youngest keiki.

ECAS strongly supports passage of HB391, which would pilot a program to provide wage supplements or subsidies to early and education professionals working in infant and toddler centers.

High-quality child care and early learning programs are fundamental to thriving children, flourishing families, and a robust economy. An effective, well-trained, early childhood workforce is the backbone of these programs. This workforce, however, suffers from chronically low wages and turnover.

A 2022 study completed by the University of Hawaii Early Childhood Educator Excellence and Equity Project showed that the average hourly wage for early care and education professionals in Hawaii ranges between \$13 and \$17 per hour. The COVID-19 pandemic compounded the impact of annual workforce turnover rates for early childhood educators that already ranged from 26-40%. Based on national trend data in child care employment, Hawaii is likely to have lost more than a quarter of our early care and learning workforce between 2018 and now. This erosion in the workforce has reduced existing operating capacity and poses significant barriers to expansion of Hawai'i's child care and early learning programs.

To ensure families have access to early childhood care and education from birth to kindergarten, we *must* improve pay for the professionals who are the heart of those classrooms. Addressing workforce compensation must start somewhere. Piloting a wage supplement model with our infant and toddler child care providers, who earn 22% less than preschool providers, nationally, allows us to support those professionals who care for our children at their most critical stage of brain development, yet are the farthest from fair wages.

ECAS supports this wage subsidy measure for infant and toddler child care providers as a *first step* toward supporting early care and education professionals as a whole. In order for Hawai'i to rebuild fully from the pandemic and meet the education, employment, and economic needs of the state, the state must support and sustain the child care sector and improve families' access to child care and early learning programs by prioritizing strategies to stabilize and expand the early childhood workforce. ECAS supports this wage subsidy measure for infant and toddler child care providers as a critical first step toward supporting the early care and education workforce as a whole.

Thank you for this opportunity to provide testimony **in support of HB391**.



holomua

COLLECTIVE

OUR MISSION

Make Hawai'i more affordable for all working families.

OUR VISION

A diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

BOARD MEMBERS

Jason Fujimoto
Meli James
Micah Kāne
Brandon Kurisu
Mike Mohr
Brad Nicolai
Mike Pietsch, *Board Chair*

ADVISORY COMMITTEE

Josh Feldman
Brittany Heyd
Alicia Moy
Ed Schultz

Josh Wisch
President & Executive Director

827 Fort Street Mall, 2nd Floor
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HolomuaCollective.org

Page 1 of 2

Committee: House Committee on Human Services
Bill Number: HB 391, Relating to Child Care
Hearing Date and Time: February 2, 2023 at 9:00am (Room 329)
Re: Testimony of Holomua Collective in support

Aloha Chair Mizuno, Vice Chair Amato, and Committee Members:

We write in support of HB 391, Relating to Child Care. The purpose of HB 391 is to have the Department of Human Services develop a two-year child care worker subsidy pilot program to retain the existing early child care workforce in infant and toddler center settings and appropriate funds for the program.

Hawai'i is having an increasingly difficult time retaining and recruiting infant and toddler child care workers. Indeed, between 2018 and 2020 Hawai'i lost 20% of its child care workforce. When child care workers leave the profession, it becomes harder for child care providers to stay open. This ultimately makes it harder for families to get child care as demand increases while supply shrinks. And this disparity between supply and demand for child care is why families struggle to pay for facilities that charge \$20,000 per year per child, because that is what they must do to stay afloat.

Holomua supports innovative initiatives that help make Hawai'i affordable to all working families. We are especially interested in fostering cross-sector collaboration and supporting policies that are evidence-based. The subsidy program crafted by the authors of HB 391 is a perfect example of all this.

Innovation: Pilot programs are an effective way to take an initial step at solving big problems, allowing successive iteration and improvement along the way. And in piloting this solution, it makes sense that the bill starts with infant and toddler child care workers, as they are the educators most likely to be farthest from fair wages. This is because national trends suggest that the younger the age of the child being served, the lower the pay for the educator.

Cross-sector collaboration: This solution necessarily involves the nonprofit sector (advocates like the Hawai'i Children's Action Network and the Hawai'i Early Childhood Advocacy Alliance) who have created the idea of this program, the government sector (in the form of the Department of Human Services who will be in charge of developing out the program), and the private sector in the form of the child care providers themselves, who are currently faced with not having enough professional employees because they lack the funding to pay them.



Evidence-based: The RAND Corporation,¹ in a recently published report, noted that wages and salaries for early educators in Hawai'i are not competitive. Median hourly wages are estimated at \$13-\$17 per hour currently, while the living wage estimate in Hawai'i is \$28.50 per hour. This is unsustainable. That is why RAND recommended that a starting strategy for addressing shortfalls in the child care workforce would be one-to-two year pilot program like this.

Additionally, multiple studies have shown that a person's most dramatic brain development occurs in the first three years of their life. Making sure that the frontline child care workers—who are in charge of molding the minds of babies and other young children during these critical years—are paid well enough to stay in the profession benefits: (1) the child care workers who can now stay in the profession; (2) the children who will receive professional care during critical years; (3) businesses whose employees depend on child care; (4) parents who can stay at their jobs because of greater access to child care; and (5) society as a whole, because a new generation of children will be better prepared to learn, grow, and thrive.

We know that child care providers operate on miniscule financial margins with fixed costs that can't be negotiated or reduced, like rent or electricity. This means that when they need to lower expenses they must turn to wages. And in turn, child care professionals leave the state. If this trend continues, we are likely to have lost more than a quarter of this workforce between 2018 and today.

But this pilot program is the type of innovative, collaborative, evidence-based program that can break this cycle and put us on a path to greater affordability both for child care workers and for those who need access to child care. We are proud to support it

We recognize that HB 391 and HB 547 are similar bills, and support passage of both or either vehicle. We appreciate the opportunity to testify.

Sincerely,

Josh Wisch
President & Executive Director

¹ See "Early Childhood Educators in Hawai'i: Addressing Compensation, Working Conditions, and Professional Advancement," at https://www.rand.org/pubs/research_reports/RRA1908-1.html.



**Testimony to
The Committee on Human Services**

**Thursday, February 2, 2023
9:00 AM
Conference Room 329 & VIA Videoconference
Hawaii State Capitol**

HB 391

Chair Mizuno, Vice Chair Amato, and members of the committee,

Hawaii Gas **supports HB 391**, which requires the department of human services to develop a child care worker subsidy pilot program to assist in retaining qualified child care workers in licensed infant and toddler centers.

Hawaii Gas depends on highly skilled engineers, analysts, and other workers who, in turn, depend on quality child care and early education. Hawaii cannot build a highly qualified workforce without investing in the infrastructure that allows these workers to do their jobs. Investing in quality childcare and education improves the state for all of us.

To ensure families have access to early childhood care and education from birth to kindergarten, it is imperative we improve pay for the professionals who are the heart of those classrooms. Please support the creation of a child care worker subsidy pilot program as the first step toward improving wages for early childhood care and education professionals.

Preschools, child care providers, and families already carry a heavy burden. They cannot carry more without support. Hawaii's early childhood care and education professionals provide a public good and require public investment.

Educators know that early childhood learning paves the way for student success when they enter K-12. By improving pay – and thus quality – within our infant and toddler child care system, you establish the foundation for quality care from the time babies need it most.

We urge the committee to pass HB 391.

Thank you for the opportunity to testify.



**Testimony Presented to the House Committee on Human Services
February 2, 2023, 9:00 a.m.**

HB 391, RELATING TO CHILD CARE

Aloha Chair Mizuno, Vice Chair Amato, and Members of the Committee:

We write in strong support of HB 391, which provides wage supplements or subsidies for early childhood care and education professionals, starting first with those professionals who specialize in infant and toddler care.

aio is a locally owned company with holdings across a broad range of industries. Our companies are purpose-driven and firmly rooted in local values. At aio, Hawaii is at our core, and through our products and services, we work hard to make Hawaii a better place for future generations.

Our employees are our greatest asset, and we want to ensure that they have access to quality and affordable childcare for their keiki. This subsidy pilot program is a good first step at retaining top childcare professionals by improving their wages.

Research shows that early childhood care professionals are critical to a child's development, and we want the best care possible to teach and mold the next generation.

Mahalo,

A handwritten signature in black ink that reads "Brandon H. Kurisu".

Brandon Kurisu
aio Family of Companies



HB-391

Submitted on: 1/31/2023 12:50:08 PM

Testimony for HUS on 2/2/2023 9:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Heidi Allencastre | Individual | Support | Written Testimony Only |

Comments:

Please support the creation of a child care worker subsidy pilot program. It is the first step toward improving wages for early childhood care and education professionals that do so much for me, my family, and my community.

This bill is important in making sure that our Keiki is left with skilled quality childcare providers, currently, child care providers do not receive the compensation that they deserve making it extremely hard for many of them to stay in the job that they love. It takes a special kind of person to do this hard but necessary work please support this bill.

Elaine Yamashita
105 Kamehameiki Rd.
Kula, HI 96790-8451
808-281-1216
elainey208@gmail.com

January 31, 2023

Aloha to Chair Mizuno, Vice-Chair Amato and committee members:

I am in support of HB 391. I'm an advocate for early care and education, longtime Hawai'i Association for the Education of Young Children (HiAEYC, an affiliate of NAEYC) member, and professor emerita of UH Maui College.

I have been in the early childhood profession for over 40 years. Infant/toddler care has been a great need all the way through. Programs are struggling to stabilize staffing. Working with infants and toddlers, understanding and providing for their development and needs, communicating with families, and providing a loving, caring environment takes a great deal of work. There is also constant new information on child development, and early childhood educators are committed to providing the best they can for the keiki and their 'ohana.

Mahalo for your consideration of this bill.

Mahalo,
Elaine Yamashita

HB-391

Submitted on: 1/31/2023 2:41:16 PM

Testimony for HUS on 2/2/2023 9:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Erin ODonnell | Individual | Support | Written Testimony Only |

Comments:

- Hawai‘i’s early childhood care and education professionals are some of the most undervalued in our state.
- Preschools, child care providers and families already carry a heavy burden. We cannot carry more without your support.
- Please support the creation of a child care worker subsidy pilot program. It is the first step toward improving wages for early childhood care and education professionals that do so much for me, my family and my community.
- This should be extended to preschool staff as well, and especially for preschool staff in Hawaiian language preschools.

HB-391

Submitted on: 1/31/2023 3:12:53 PM

Testimony for HUS on 2/2/2023 9:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Ryan Samonte | Individual | Support | Written Testimony Only |

Comments:

Support!

- Hawai‘i’s early childhood care and education professionals are some of the most undervalued in our state.
- Preschools, child care providers and families already carry a heavy burden. We cannot carry more without your support.
- Please support the creation of a child care worker subsidy pilot program. It is the first step toward improving wages for early childhood care and education professionals that do so much for me, my family and my community.

HB-391

Submitted on: 1/31/2023 5:11:44 PM

Testimony for HUS on 2/2/2023 9:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Raya Esteban | Individual | Support | Written Testimony Only |

Comments:

Aloha Chair Mizuno, Vice Chair Amato and committee members,

Please support HB391, which would support the creation of a child care worker subsidy pilot program as the first step toward improving wages for early childhood care and education professionals. To ensure families have access to early childhood care and education from birth to kindergarten, we must improve pay for the professionals who are the heart of those classrooms.

Hawai‘i’s early childhood care and education professionals are some of the most undervalued in our state. In piloting solutions, we want to start with those most likely to be farthest from fair wages. A 2022 study completed by the University of Hawaii Early Childhood Educator Excellence and Equity Project showed that, on average, early care educators earn between \$13 and \$17 per hour. National trends suggest that the younger the child is that you educate and care for, the lower your pay is likely to be.

I was a preschool teacher for three years, and though I loved my job, I often struggled to make ends meet. I had to take on multiple jobs to supplement my income and earn a livable wage; oftentimes, the toll of working numerous jobs left me exhausted and unable to provide the quality care my kids deserved. At the time, I was living under my parents’ roof, and so I did not have to pay for rent. But if I had to account for housing expenses, there would have been no possibility for me to fulfill my vocation as an early care educator. This would have been a colossal waste of my talent, expertise, and dedication for early care and education—a professional field that requires specialized skills and knowledge.

Any individual with the passion and finesse to care for and educate young children should not have to suffer through poverty-level wages as a consequence. That is a disgrace to our early care educators, to the children and families that they serve, and the whole of society that depends on the early care workforce to mold the minds and hearts of our next generation of leaders.

Preschools, child care providers, and families already carry a heavy burden. They cannot carry more without support. Because Hawai'i's early childhood care and education professionals provide a public good, it requires public investment.

We have to start somewhere with wage increases; starting with our early childhood care and education professionals who are most likely to be farthest from fair wages makes sense. Starting with our infant and toddler child care providers also helps families access quality care from the time babies need it most.

Please support this measure.

Mahalo,

Raya Esteban

To: Hawaii State House Committee on Health and Human Services
Hearing Date/Time: Thursday, February 2, 2023, 9:00am
Place: Hawaii State Capitol, CR 329 & Videoconference
Re: Judith Ann Armstrong is in strong support of HB391 to Increase Childhood Care and education professionals Wages.

Dear Members of the Health and Human Services Committee,

I, Judith Ann Armstrong, am in strong support of HB5391 Relating to Child Care.

- Hawai'i's early childhood care and education professionals are some of the most undervalued in our state.
- Preschools, childcare providers, and families already carry a heavy burden. We cannot carry more without your support.
- Please support the creation of a childcare worker subsidy pilot program. It is the first step toward improving wages for early childhood care and education professionals that do so much for me, my family, and my community.
-

Thank you for this opportunity to testify in support of HB391.

Sincerely,

Judith Ann Armstrong

Committee on Human Resources
The Hawaii State House of Representatives
415 S Beretania St.
Honolulu, HI 96813

Re: SUPPORT HB391 & HB547

January 31, 2023

Dear Chair John M. Mizuno, Vice Chair Terez Amato, and esteemed members of the Committee on Human Resources,

I am writing to ask that you SUPPORT BILLS [HB 391](#) & [HB 547](#), which seek to implement subsidies to retain qualified child care workers nurturing our youngest of keiki.

As an educator in higher education and a parent of two children of my own, I know first hand how necessary qualified, caring child care workers are. In the wake of the pandemic, a number of our workers still have not come back to working full time due to parental obligations. The limited number of child care workers and slots for children, paired with the high cost of living and care make navigating child care decisions difficult at best.

Hawai'i's early childhood care and education professionals are some of the most undervalued in our state. Preschools, child care providers and families already carry a heavy burden and cannot carry more without your support. The creation of a child care worker subsidy pilot program would provide the first step toward improving wages for early childhood care and education professionals that do so much for me, my family and my community. Let's make sure to incentivize workers nurturing our young keiki to stay by paying them living and competitive wages. Hopefully, this will result in more of our children attaining loving care from workers that truly enjoy their jobs, feel valued, and want to stay in their chosen vocation.

For all these reasons and more, I strongly SUPPORT BILLS [HB 391](#) & [HB 547](#). Mahalo nui for introducing and hearing these bills!

Sincerely,



Erika Molyneux
Mother of two, Resident of Kaneohe, Hawai'i
Instructor, New Media Arts, Leeward Community College

HB-391

Submitted on: 2/1/2023 8:53:15 AM

Testimony for HUS on 2/2/2023 9:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Kee | Individual | Support | Written Testimony Only |

Comments:

Aloha Chair Mizuno, Vice Chair Amato and committee members,

To ensure families have access to early childhood care and education from birth to kindergarten, we must improve pay for the professionals who are the heart of those classrooms. Please support the creation of a child care worker subsidy pilot program as the first step toward improving wages for early childhood care and education professionals.

Hawai‘i’s early childhood care and education professionals are some of the most undervalued in our state. In piloting solutions, we want to start with those most likely to be farthest from fair wages. A 2022 study completed by the University of Hawaii Early Childhood Educator Excellence and Equity Project showed that on average between \$13 and \$17 per hour. National trends suggest that the younger the child is that you care for and educate the lower your pay is likely to be.

Preschools, child care providers and families already carry a heavy burden. They cannot carry more without support. Because Hawai‘i’s early childhood care and education professionals provide a public good, it requires public investment.

We have to start somewhere with wage increases; starting with our early childhood care and education professionals who are most likely to be farthest from fair wages makes sense. Starting with our infant and toddler child care providers also helps families access quality care from the time babies need it most.

Please support this measure.

Kee Lo

HB-391

Submitted on: 2/1/2023 8:39:08 PM

Testimony for HUS on 2/2/2023 9:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Maya Maxym | Individual | Support | Written Testimony Only |

Comments:

Aloha Committee Members,

I am writing to express my strong support for HB 391 As a pediatrician and a mom, I understand both the ways in which excellent childcare supports the developing brains of infants and toddlers and the importance of safe, reliable childcare for working parents. Childcare workers are some of the most underpaid professionals in our society, yet they provide an absolutely essential -- and precious -- service to our keiki and their families. This pilot subsidy for childcare workers who care for infants and toddlers would represent a significant step towards bringing their pay up in the direction of a living wage in our high cost of living state without placing additional burdens on families, who are also struggling to pay for childcare, which may exceed \$20,000 per year per child.

On behalf of myself and the many patients and families I have seen struggling with childcare scarcity over the years, I thank you in advance for your consideration and hope you will support moving this bill out of committee.

Mahalo,

Maya Maxym, MD, PhD

HB-391

Submitted on: 2/1/2023 10:30:21 PM

Testimony for HUS on 2/2/2023 9:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Erica Yamauchi | Individual | Support | Written Testimony Only |

Comments:

Aloha, Chair Mizuno, Vice Chair Amato, and Committee Members,

To ensure families have access to early childhood care and education from birth to Kindergarten, we must improve pay for the professionals who are the heart of those classrooms. Please support the creation of a childcare worker subsidy pilot program as the first step toward improving wages for early childhood care and education professionals in Hawai'i.

Our early childhood care and education professionals are some of the most undervalued in our state. In piloting solutions, we want to start with those most likely to be farthest from fair wages. A 2022 study completed by the University of Hawaii Early Childhood Educator Excellence and Equity Project showed that on average between \$13 and \$17 per hour. National trends suggest that the younger the child is that you care for and educate the lower your pay is likely to be.

Preschools, childcare providers and families already carry a heavy burden. They cannot carry more without support. Because Hawai'i's early childhood care and education professionals provide a public good, it requires public investment.

We have to start somewhere with wage increases; starting with our early childhood care and education professionals who are most likely to be farthest from fair wages makes sense. Starting with our infant and toddler child care providers also helps families access quality care from the time babies need it most.

Please support this measure. Thank you for the opportunity to testify.

Erica Yamauchi, Kaimukī/Wilhelmina Rise