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STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
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December 31, 2025

The Honorable Ronald D. Kouchi, President
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Nadine K. Nakamura, Speaker
and Members of the House of
Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Nakamura, and Members of the Legislature:

Enclosed is the following report submitted in accordance with the provisions of Section 26-61(c), Hawai'i Revised Statutes (HRS), on the Progress Toward Implementing Early Care and Education Sector Programs.

Per section 93-16, HRS, this report will be available for electronic review on the Department's website at https://humanservices.hawaii.gov/reports/legislative-reports/.

For questions regarding this report, contact R. Malia Taum-Deenik, Policy & Project Specialist, mtaum-deenik@dhs.hawaii.gov.

Sincerely,

Ryan I. Yamane
Director

Enclosure
c: Governor's Office
Lieutenant Governor's Office
Department of Budget and Finance
Legislative Auditor
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REPORT TO THE HAWAII STATE THIRTY-THIRD LEGISLATURE 2026

IN ACCORDANCE WITH THE PROVISIONS OF SECTION 26-61(c), HAWAIʻI REVISED STATUTES, ON THE PROGRESS TOWARD IMPLEMENTING EARLY CARE AND EDUCATION SECTOR PROGRAMS.

Child Care Programs
Benefit, Employment and Support Services Division
Department of Human Services
December 2025

This report is submitted to the Legislature in accordance with section 26-61(c), Hawaii Revised Statutes (HRS), which requires the Department of Human Services and the Executive Office on Early Learning to monitor the progress of implementing the early care and education sector programs.

This report should be read along with the report submitted to the Legislature in August 2025, in accordance with section 26-61(a), HRS, on progress toward achieving the benchmarks articulated in section 26-61(a).

This report provides programmatic updates to the prior report.

Impact of The Federal Government Shutdown

The impacts of the federal government shutdown of October 1, 2025, to November 12, 2025, and continuing federal budget negotiations and policy changes are not fully known. The shutdown impacted Hawaii's federal workforce, including some military personnel and contractors, and delayed access to federal funds. The delay in issuing Supplemental Nutrition Assistance Program (SNAP) benefits to more than 87,000 Hawaii households required State government agencies and community providers to act quickly and work together to ensure all Hawaii residents had access to food.

To help individuals and families during the shutdown, the Department of Human Services (DHS) redirected funds to the Food Bank and its network of providers to increase food distribution, the Aloha United Way to provide call center support, authorized a $250 food benefit for SNAP recipients, and simultaneously launched a program to assist families with a dependent child with rent, mortgage, and utility payments. Similarly, DHS discussed with the Office of Hawaiian Affairs as it created a program to assist Native Hawaiians facing food insecurity. Further, the Department of Education encouraged families affected by the shutdown to apply for the free school lunch program to ensure schoolchildren had access to school meals. Government offices also organized fundraising events and food drives, like the Hawaii State Libraries' Kokua Food Drive, and state employees were provided leave time to support community food distribution events.

While the shutdown brought out the best in the government and community, working together to meet the community's immediate and vital needs, the experience also underscored how Hawaii's economy is vulnerable to disruptions in federal policy and spending, how widespread food insecurity is in the State, and how vital the SNAP program is for Hawaii's low-income residents. As federal policies and funding changes continue to disrupt and reshape existing programs and resources, we must continue working collaboratively to support Hawaii's children and families.

Regarding Hawaii's child care environment, Hawaii's federally funded Head Start programs were not directly impacted by the shutdown, unlike those on the mainland, as Hawaii's federal grants have renewal dates in the spring. Access to federal child care subsidies was not affected during the shutdown. However, federal staff at the Administration for Children and Families (ACF) were furloughed, delaying communication with Hawaii's DHS staff.

During the federal shutdown, applications for child care subsidies did not increase as anticipated. The Child Care Subsidy program continues to see a decline from its July high of 763 applications to an average of 270 per month during the September-October period.

Department of Human Services – updates

DHS provides the following programmatic and other updates since the August report.

- Preschool Open Doors (POD) Program
  - Effective July 1, 2025, an administrative rule change by DHS expanded eligibility for POD program subsidies to families earning up to 500% of the federal poverty guidelines. For the 2025 – 2026 program year, POD has processed over 6,000 applications and enrolled 3,235 children to date. Applications continue to be submitted, and staff are actively processing applications. Enrollment in POD has significantly increased following the eligibility expansion, well above the 2,300+ children served last school year and far exceeding the approximately 650+ children prior to the initial expansion.

  - Act 203, Session Laws of Hawaii 2025
    - Progress of implementation: the department is working toward additional rule amendments to support the inclusion of 2-year-olds, remove priority ranking, establish a continuous application period, eliminate accreditation requirements, and add a new copayment tier for low-income families.
    - Accreditation activities: Prior to Act 203, DHS contracted with the Hawaii Association for the Education of Young Children (HiAEYC) with technical assistance grant funds for licensed group child care centers interested in the National Association for the Education of Young Children (NAEYC) accreditation. From 6/20/24 - 6/16/25, 58 licensed group child care centers received $1,080,438 to support them through various phases of the NAEYC accreditation process. DHS is considering future technical assistance for accreditation activities.

- Act 46, SLH 2020, Act 210, SLH 2021: Contracted Child Care Slots for Infants and Toddlers, Children with Disabilities, and Children in Underserved Geographic Areas
  - In August 2025, the department issued a Request for Information (RFI) seeking recommendations to inform the development of a contracted Pilot Program. The respondents' feedback allowed the department to plan the next phase by conducting a survey to gauge interest among child care providers.
  - In December, the department distributed surveys to all licensed infant and toddler programs and group child care facilities statewide. The survey questions assessed provider readiness in several areas, including ability to support growth and capacity, interest in program expansion, and opportunities to strengthen access for families in their regions. Providers have until January 9, 2026, to complete the survey.

Year-end Reflection

As reported in August, government and community partners continue to work towards meeting the early learning benchmarks established in Act 46 (SLH 2020). Act 203, SLH 2025, made further amendments to expand access to the Preschool Open Doors program subsidies and reduce administrative barriers.

Notably, to continue to make progress to meet the State's benchmarks of Act 46 (SLH 2020), and grapple with the various federal policy changes and funding reductions mandated in the One Big Beautiful Bill (OBBBA), Public Law 119-21, the early childhood community needs to continue advocating for and emphasizing the importance of a robust early childhood system in Hawaii, where families have

access to affordable, high-quality child care and early education options, and appropriately support providers and the child care workforce.