



STATE OF HAWAII

Executive Office on Early Learning

Ke'ena Ho'okele Ho'ona'auao Pae Kamali'i o Hawai'i Moku'āina
2759 South King Street, Room C6
HONOLULU, HAWAII 96826

TO: Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair
House Committee on Finance

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

SUBJECT: Testimony on H.B. No. 2567, H.D. 1 – RELATING TO EDUCATION
Committee: FIN
Date/Time: Tuesday, March 3, 2026, 2:00 p.m.
Location: Conference Room 308

Executive Office on Early Learning's Position: **SUPPORT**

The Executive Office on Early Learning (EOEL) offers the following comments in support of H.B. No. 2567, H.D. 1 and defers to the Department of Budget and Finance regarding implementation and funding of the proposed special fund.

EOEL appreciates the Legislature's consideration of a dedicated revenue stream to support early childhood education. This proposal follows the lead of states such as Connecticut and Montana, which recently established trust funds or endowments to provide sustained support for early learning initiatives. Establishing an investment fund seeded with a general fund appropriation, with investment returns deposited into the Early Learning Special Fund, represents a thoughtful and forward-looking approach to long-term system financing.

A dedicated revenue stream for the Early Learning Special Fund would create new opportunities to pursue a broader range of initiatives that strengthen Hawai'i's mixed-delivery system statewide. Stable, ongoing funding would allow the State to plan strategically and respond more effectively to the needs of families with young children.

The early years are critical for brain development and lay the foundation for lifelong learning, health, and well-being. We appreciate the Legislature's ongoing investment and shared commitment to strengthening Hawai'i's early learning system for our youngest keiki and their 'ohana. Thank you for the opportunity to share these comments in support of H.B. No. 2567, H.D. 1.

Date: March 3, 2026

To: Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair
Members of the House Committee on Finance

From: Early Childhood Action Strategy

Re: House Bill 2567 HD1, Relating to Education

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 supports House Bill 2567 HD1 which would establish the Early Childhood Education Investment Fund.

In recent years, communities around the country have voted to establish dedicated taxes, levies, and trust funds in order to adequately fund early childhood education and care. Many of these communities have been highly successful in using these strategies to create new and consistent revenue streams to support early childhood initiatives.

For example, New Mexico passed a constitutional amendment directing a portion of funds generated by oil and gas production to support early childhood education. Meanwhile, Massachusetts established a “millionaire’s tax” which adds an additional tax to income over \$1M and dedicated a portion of these tax revenues to fund education efforts.

With this in mind, ECAS is in support of this measure as it would create a dedicated funding mechanism to support early childhood education programs. However, we do feel strongly that additional language must be included in this measure, detailing clear parameters regarding how funds in the Early Childhood Education Investment Fund may be directed.

Mahalo for the opportunity to provide this testimony.

To: House Committee on Finance
Re: **HB 2567 HD1 – Relating to Education**
Hawai'i State Capitol & Via Videoconference
March 3, 2026, 2:00 PM

Dear Chair Todd, Vice Chair Takenouchi, and Committee Members,

Hawai'i Children's Action Network (HCAN Speaks!) writes in strong support of HB2567, which establishes an Early Childhood Education Investment Special Fund to be administered by the Department of Budget and Finance, with investment returns transferred to the Early Learning Special Fund.

Hawai'i has made significant strides in its efforts to deliver on Act 46 (2020) to provide Universal Access to early learning for all three-and four-year-olds by 2032. These efforts have been instrumental in helping to support working families and prepare children for kindergarten. However, relying solely on budget cycles creates volatility and threatens the long-term sustainability of these efforts.

HB2567 creates a financing mechanism designed to generate ongoing investment income dedicated to early learning, helping stabilize supports and continued investment. A growing number of states have implemented similar models to that proposed in HB 2567.

- Connecticut Early Childhood Education Endowment: a structured invest-and-distribute model¹.
- New Mexico Early Childhood Education and Care Fund: an endowment-like fund within the state treasury, with investment income credited back to the fund and managed through the state's investment framework².
- Montana Early Childhood Account: funded through a share of interest earnings from a broader state trust structure, with eligible uses tied directly to childcare/early learning workforce and access strategies³.

These examples demonstrate a practical approach to long-term sustainability for early learning. By creating investment and interest-earning structures, Hawai'i strengthens its ability meet the needs of our young children and working families, and deliver on the promise of Act 46.

Mahalo for the opportunity to provide this testimony. Please **PASS HB 2567 HD1**.

¹ <https://www.cga.ct.gov/2025/act/Pa/pdf/2025PA-00093-R00SB-00001-PA.PDF>

² <https://www.sic.state.nm.us/investments/permanent-funds/early-childhood-education-and-care-fund/>

³ https://archive.legmt.gov/bills/mca/title_0520/chapter_0020/part_0100/section_0030/0520-0020-01000030.html

HB-2567-HD-1

Submitted on: 3/2/2026 10:15:31 AM

Testimony for FIN on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Carley Stone	Individual	Support	Written Testimony Only

Comments:

Aloha and thank you to the members of the House Finance Committee,

My name is Carley Stone and I am writing in support of HB2567.

In my community on Maui, there is a critical need for more, accessible, early childhood centers. In my role as a speech language pathologist (SLP) working with young children, I see too many families struggle to provide the preschool experiences they want for their children. Lack of classrooms and expensive tuition exclude children from the social-emotional experiences and pre-academic skills that prepare them to thrive as kindergarten students. As a 2014 study by the President’s Council of Economic Advisors outlines, high-quality early childhood education has incredibly impactful benefits, including:

- Increased cognitive and academic achievement for enrolled children
- Increased earning potential for enrolled children later in life
- Higher employment rates for mothers
- Reduced involvement in the criminal justice system
- Reduced need for special education placements, thereby decreasing public education costs

Increased investment in all early childhood education can provide the solid foundation our students (and our community) need for lifetime success.

Thank you for your time and consideration.

Best,

Carley Stone, MA CCC-SLP