

NEIL ABERCROMBIE
GOVERNOR



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LATE

February 25, 2011

MEMORANDUM

TO: The Honorable David Ige, Chair
Committee on Ways and Means

FROM: Patricia McManaman, Interim Director

SUBJECT: **S.B. 926 - RELATING TO CHILDREN**

Hearing: Friday, February 25, 2011; 9:00 a.m.
Conference Room 211, State Capitol

PURPOSE: The purpose of S.B. 926 is to appropriate funds for various early childhood and school readiness programs.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of this bill to increase the current funding for the child care subsidy and Preschool Open Doors programs, however, is concerned about the cost implications on the Executive Biennium Budget.

It should be noted that the Governor's proposed budget for the fiscal biennium already includes \$3.2 million in general funds to be added to the Department's budget for the Preschool Open Doors program.

DHS is not clear as to which keiki care project Section 10 of this bill is referring to. If it is keiki care for medical assistance, given the generous medical assistance eligibility for children, the low number of medical assistance recipient children from higher income households, and the findings that Keiki Care primarily served children

who were previously insured, providing a general fund appropriation for Keiki Care would be expected to have a far less impact on health status than preserving medical assistance benefits to those currently eligible, which also brings matching federal funds into the state.

DHS defers to the Department of Health on the other sections of this bill.

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