

Honolulu, Hawaii

FEB 16 2018

RE: S.B. No. 2905
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committees on Education, Labor, and Human Services, to which was referred S.B. No. 2905 entitled:

"A BILL FOR AN ACT RELATING TO ON-SITE EARLY CHILDHOOD FACILITIES,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish an income tax credit for employers who create on-site early childhood facilities; and
- (2) Establish and appropriate funds for one on-site early childhood facility coordinator position.

Your Committees received testimony in support of this measure from the Executive Office on Early Learning; Ho'omana Pono, LLC; Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i; and three individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Human Services, Department of Taxation, and Tax Foundation of Hawaii.

Your Committees find that Hawaii has one of the highest costs for child care in the nation. In many cases, the costs for child care for two children are as much as one full-time working parent



would make in a year after taxes, leading to one parent leaving the workforce to care for children on a full-time basis in many families. Kindergarten teachers within the Department of Education have indicated that children who do not attend pre-kindergarten programs can be eighteen to twenty-four months developmentally behind their peers who do attend preschool. The creation of on-site early childhood facilities by employers can increase employee retention while providing affordable access to early childhood learning programs.

Your Committees have amended this measure by:

- (1) Clarifying the use of the term "qualified costs" throughout the measure;
- (2) Exempting employers who close an early childhood facility before the minimum of ten years from credit recapture if the Department of Human Services certifies that the employer closed the facility for reasonable cause;
- (3) Inserting a blank annual aggregate cap for the on-site early childhood facility tax credit;
- (4) Inserting an effective date of July 1, 2019; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education, Labor, and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2905, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2905, S.D. 1, and be referred to your Committee on Ways and Means.



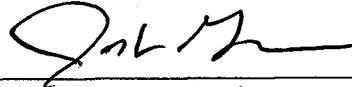
Respectfully submitted on
behalf of the members of the
Committees on Education, Labor,
and Human Services,



JILL N. TOKUDA, Chair



MICHELLE N. KIDANI, Chair



JOSH GREEN, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

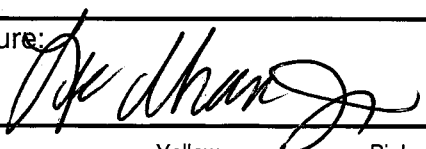
Record of Votes
Committee on Education
EDU

Bill / Resolution No.:* SB 2905	Committee Referral: EDU/BR/AMS, WAM	Date: 2/14/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIDANI, Michelle N. (C)	✓			
KAHELE, Kaiali'i (VC)				✓
DELA CRUZ, Donovan M.				✓
ESPERO, Will	✓			
KIM, Donna Mercado	✓			
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; margin-top: 10px;"> </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Ninth Legislature
 State of Hawai'i


Record of Votes
Committee on Labor
LBR

Bill / Resolution No.:* SB2905	Committee Referral: EDU/LBR/HMS, WAM	Date: 2/14/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
ENGLISH, J. Kalani (VC)				✓
CHANG, Stanley	✓			
IHARA, Jr., Les	✓			
TANIGUCHI, Brian T.				✓
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2905	EDU/LBR/HMS, WAM	2-14-18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)	Nay	Excused
GREEN, Josh (C)	✓			
CHANG, Stanley (VC)	✓			
HARIMOTO, Breene	✓			
TOKUDA, Jill N.	✓			
WAKAI, Glenn				✓
TOTAL	4			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

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