

STAND. COM. REP. NO.

459

Honolulu, Hawaii

, 2021

FEB 18

RE: H.B. No. 514

H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Education, to which was referred H.B. No. 514 entitled:

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

begs leave to report as follows:

The purpose 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 an on-site early childhood facility coordinator position to assist with licensure and accreditation requirements, work with providers, and ensure appropriate facility design of on-site early childhood facilities established by employers in the State.

Your Committee received testimony in support of this measure from Early Childhood Action Strategy; Hawaii Children's Action Network Speaks!; and two individuals. Your Committee received testimony in support of the intent of this measure from the Executive Office on Early Learning and Early Learning Board. Your Committee received comments on this measure from the Department of

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Taxation, Department of Human Services, and Tax Foundation of Hawaii.

Your Committee finds that the cost of child care in Hawaii is among the highest in the nation, requiring some parents to remain at home with their children because of the high cost of child care. Your Committee further finds that employers who create facilities for early learning education on-site see greater employee retention and performance, lower absenteeism, and a more productive and positive workplace environment. This measure will help parents address concerns of child care costs and provide more opportunities for access to early childhood learning programs by providing an income tax credit for employers who create facilities for early learning education on-site.

Your Committee has amended this measure by:

- (1) Upon the recommendation of the Department of Human Services, applying the income tax credit to the creation of on-site group child care centers, rather than on-site early childhood facilities, and making conforming amendments to change "early childhood facility" to "group child care center";
- (2) Changing its effective date to July 1, 2050; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it choose to deliberate on this measure, to examine the technical issues that may be associated with the establishment and implementation of the income tax credit provided by this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 514, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 514, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on  
behalf of the members of the  
Committee on Education,

  
JUSTIN H. WOODSON, Chair



