



**STATE OF HAWAII**  
**Executive Office on Early Learning**  
2759 South King Street  
HONOLULU, HAWAII 96826

January 31, 2023

**TO:** Representative John M. Mizuno, Chair  
Representative Terez Amato, Vice Chair  
House Committee on Human Services

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

**SUBJECT: Measure:** H.B. No. 502 – RELATING TO CHILD CARE  
**Hearing Date:** Thursday, February 2, 2023  
**Time:** 9:00 am  
**Location:** Conference Room 329

**EXECUTIVE OFFICE ON EARLY LEARNING'S POSITION: Comments**

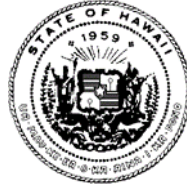
EOEL appreciates the intent of H.B. No. 502 and defers to the Department of Human Services regarding implementation.

EOEL is committed to increasing access to early learning opportunities across the State. We recognize that families with our youngest keiki, our infants and toddlers, face some of the most significant barriers in attempting to secure child care options.

Providing opportunities for the Department of Human services to implement a subsidy pilot program to contract directly with infant and toddler care providers would prioritize and help to incentivize the continuation of services for our youngest keiki. We defer to the Department of Human Services regarding implementation of the provisions in this bill.

We look forward to continuing to work with the Legislature to support increasing access to affordable, quality early learning programs and services for families and keiki in the State. Thank you for the opportunity to testify on this bill.

**JOSH GREEN, M.D.**  
GOVERNOR  
KE KIA'ĀINA



**CATHY BETTS**  
DIRECTOR  
KA LUNA HO'OKELE

**JOSEPH CAMPOS II**  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'OKELE

**STATE OF HAWAII**  
KA MOKU'ĀINA O HAWAI'I  
**DEPARTMENT OF HUMAN SERVICES**  
KA 'OIHANA MĀLAMA LAWELAWE KANAKA  
Office of the Director  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

January 31, 2023

**TO:** The Honorable Representative John M. Mizuno, Chair  
House Committee on Human Services

**FROM:** Cathy Betts, Director

**SUBJECT: HB 502– RELATING TO CHILD CARE.**

Hearing: February 2, 2023, 9:00 a.m.  
Conference Room 329 & Videoconferencing, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent of this bill and provides comments. DHS respectfully requests that any appropriation not reduce or replace budget priorities identified in the executive budget.

**PURPOSE:** The bill's purpose is to establish a two-year infant and toddler child care contracted slots pilot program to develop and implement procedures to subsidize child care slots in licensed infant and toddler child care settings. Makes an appropriation.

The bill proposes that licensed infant and toddler child centers and registered family child care homes that serve infants and toddlers would contract with DHS to reserve a number of infant and toddler slots for families who qualify for DHS' Child Care Connection Hawaii (CCCH) program by providing the CCCH subsidy payment directly to providers. CCCH is a federally funded child care subsidy program with oversight by the U.S. Department of Health & Human Services, Administration for Children and Families, Office of Child Care. DHS provides federal subsidies based on the child's enrollment.

DHS requests clarification. As drafted, it is unclear whether the intent is to provide the contracted provider with CCCH subsidies whether or not a CCCH-eligible child is enrolled in the contracted slot. To clarify, the Child Care and Development Fund does not allow the department to provide CCCH subsidies when no CCCH-eligible child is enrolled in the contracted infant and toddler slots. Therefore, a general fund appropriation is required if the intent is to provide payments for unfilled slots or slots filled by families not eligible for child care subsidies through the CCCH program.

If the measure passes, DHS respectfully requests that the effective date is after January 1, 2024, to give DHS time to make the necessary program and system changes and develop administrative processes and rules.

DHS needs additional time as current program demands and efforts are focused on complying with the federal Child Care and Development Block Grant provisions. Additionally, DHS is developing a program to distribute child care supplemental block grant funds appropriated by the American Rescue Plan Act.

DHS will update the resources needed to implement additional changes as the session progresses. Lastly, we ask that any appropriation not supplant fiscal priorities identified in the Executive Budget.

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

Feb. 1, 2023

To: Representative John Mizuno, Chair  
Representative Terez Amato, Vice Chair  
House Committee on Human Services

Subject: **Measure** - HB 502 RELATING TO CHILD CARE  
**Hearing Date** - Feb. 2, 2023  
**Time** - 9:00 AM  
**Location** - Conference Room 329

My name is Dr. Terry Lock. I am with the University of Hawai‘i at Mānoa (UHM) College of Education (COE) and serve as the director of the Hawai‘i Early Childhood Educator Excellence and Equity (ECE<sup>3</sup>) Project.

**This testimony is in support of HB 502.**

One of the most critical periods of brain development take place when children are newborns to three years old. During this period, stable, affordable, quality infant and toddler care is vital but very difficult to find. This is especially for families receiving subsidies, who have to work or go back to school. While infant toddler care is most critical, it is also some of the most labor-intensive care and education a child care provider can do. Additionally, minimum health and safety requirements mandate small ratios of caregivers to children. All of this translates to the reality that infant and toddler care is incredibly costly and often not profitable. It’s not uncommon for providers to acknowledge that they need to keep caring for older children, 3 to 5 years old, to afford to care for the youngest keiki.

HB 502 establishes a program where Department of Human Services (DHS) contracts directly with infant and toddler child care providers to hold spaces or slots for families receiving subsidies. This would involve DHS paying a provider directly to keep a space for a subsidy child. If a child leaves the provider, DHS would continue to pay the provider so that the provider would hold the spot open for another subsidy child. A provider would not be forced to take on another child, likely not receiving subsidies, just to make ends meet.

HB 502 will provide three important interconnected solutions for infant and toddler care, which families receiving subsidies need. The solutions are: 1) increase a consistent supply of infant and toddler care for families receiving subsidies; 2) incentivize child care providers to continue caring for our youngest keiki; and 3) help families receiving subsidies to be able to find care immediately so they can stay employed and improve their lives and their children’s lives.

Mahalo for the opportunity to testify.

Aloha Chair and members of the committee,

The Hawai'i Association of School Psychologists supports HB502. The intent of this bill is to increase a consistent supply of infant and toddler care for subsidy families and incentivize child care providers to continue caring for our youngest keiki. It establishes a pilot program where the Department of Human Services will contract directly with child care providers to serve Child Care Connection Hawai'i subsidy families.

The benefits of high quality early childhood care and education are well-researched by Dr. James Heckman, Nobel-Prize winning economist at the University of Chicago. His research has demonstrated that high-quality, birth-to-five early childhood education yields a 13% return on investment and a higher rate of return than preschool alone. His research has also demonstrated that skills developed in such programs last for a lifetime ([www.heckmangequation.org](http://www.heckmangequation.org))

Respectfully Submitted:

Alec Marentic, NCSP

*HASP President*



Keiki O Ka 'Āina Family Learning Centers  
3097 Kalihi Street  
Honolulu, HI 96734

Aloha Chair Mizuno, Vice Chair Amato and committee members:

Please support House Bill 502 which would improve infant and toddler childcare for subsidy families by establishing an ***Infant Toddler Contracted Slots*** pilot program in the Department of Human Services (DHS).

Infant and Toddler care is in high demand here in Hawai'i. Keiki O Ka 'Āina manages one of the largest infant-toddler centers in the state, in the Kailua community, on the island of O'ahu. The waiting list for that center stays consistently between 30 and 50 families per month. Families will struggle to pay the tuition of the childcare center they trust so they can continue to go to work. Childcare centers have little to no choice to charge a tuition rate that will allow them to pay the required amount of qualified staff, the rent or lease of the building, and everything else it takes to maintain a good childcare facility.

We believe this house bill measure will increase the supply of infant and toddler care for families receiving a childcare subsidy as well as incentivize childcare providers to continue to provide the much-needed service of caring for our youngest keiki. Families receiving subsidies will be able to find childcare immediately so they can stay employed. Improving the quality of life for themselves, their family, and ultimately for their keiki. A win-win!

Please support this measure.

*Melodie Vega, Chief Early Education Officer  
Keiki O Ka 'Āina Family Learning Centers*



To: Representative Mizuno, Chair  
Representative Amato, Vice Chair  
House Committee on Human Services

Re: HB502, relating to child care  
9:00 a.m., Feb. 2, 2023

Aloha Chair Mizuno, Vice Chair Amato and committee members:

On behalf of Hawai'i Children's Action Network (HCAN) Speaks!, mahalo for the opportunity to **testify in STRONG SUPPORT of House Bill 502, relating to child care.**

Families looking for infant and toddler care in Hawai'i often face months of waitlists and disappointed calls that child care providers near them will not have room for their young keiki anytime soon. If this family is lucky, they will be able to make alternative arrangements until their child can get into care. Things might be tough for a bit, but they eventually get through it. For a family that relies on child care subsidies, not having care can mean that they can't go to school or go to work, and, in the process, they lose their subsidy eligibility. **Families that rely on subsidies are caught in a catch-22. They must work to get child care subsidies but without child care they lose both their work and their subsidy eligibility.**

This problem stems from a shortage of infant and toddler child care in Hawai'i. The University of Hawai'i Center on the Family recently estimated that **child care providers have the capacity to serve less than 10% of Hawai'i's keiki under age 3.**

Infant and toddler care are not just expensive for families; it's also expensive to provide. Many larger child care providers report that they serve older children, 3- and 4-year-olds, just to subsidize their infant and toddler classrooms. The number of available seats for keiki age birth to 3 is further limited by both the number of professionals qualified to do so and by low ratios to ensure the health and safety of each young child.

**All of these circumstances combine to make a perfect storm where families have difficulty finding available care and providers struggle to increase their capacity and meet the demand. HB502 is an important step to start to address this problem.**



This measure establishes a pilot program where the Department of Human Services (DHS) contracts directly with regulated child care providers to reserve 100 slots for infants and toddlers whose families receive Child Care Connection Hawai'i subsidies. The pilot program will have a dual impact of 1) helping families receiving subsidies better access infant and toddler care when they need it and 2) stabilizing the infant and toddler care segment of our early childhood sector. Families will know where to go first to find care that accepts their subsidies. Providers don't have to worry about filling their open slots with the first family able to pay tuition. They will not just have the freedom to hold spots for families receiving subsidies; they will have the incentive to do so.

**Provider stabilization is especially important as the Legislature considers rapidly expanding prekindergarten options for 3- and 4-year-olds.** We have seen in other jurisdictions that absent stabilization efforts, **rapid pre-k expansion has a disastrous impact on infant and toddler child care.** We cannot risk further reducing the amount of available infant and toddler care options for families.

Additionally, it's important to note that if this pilot is successful, it may be used to contract slots for providers across the birth to kindergarten continuum of care and education. This pilot, if successful, would provide the mechanism for the state to support community-based programs in their pre-k expansion efforts.

**HB502 is an important step toward stabilizing and improving the entire birth to kindergarten spectrum of care and education.** It has an important and more immediate impact of improving access for families receiving subsidies while incentivizing infant and toddler care providers to continue serving our youngest keiki. Please support this measure.

Mahalo,

Ke'ōpū Reelitz  
Director of Early Learning and Health Policy



Date: February 1, 2023

To: House Committee on Human Services  
Representative John M. Mizuno, Chair  
Representative Terez Amato, Vice Chair

From: Early Childhood Action Strategy

Re: Support for HB502, Relating to Child Care

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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 strongly supports passage of HB502**, which would establish a two-year pilot program in the Department of Human Services (DHS) to subsidize child care slots for infants and toddlers via contracts with licensed and registered child care programs.

Hawaii faces significant unmet need for infant and toddler child care. There is sufficient capacity for only 6% of children under 3 years old in regulated child care settings, and lack of openings and long waiting lists are chronic issues for families searching for care. These capacity issues can be even more problematic for families eligible for and/or receiving child care subsidy assistance, whose financial constraints may severely limit their options to search and wait for care.

Compounding the problem are systemic disincentives for child care providers to participate in the child care subsidy system, which further decrease low-income working families' access to quality child care settings for infants and toddlers. Specifically, unstable and unpredictable enrollment and attendance, as well as insufficient payment rates can deter providers from serving subsidy children.

Direct contracts for subsidy slots between DHS and infant/toddler child care programs, as proposed by **HB502**, would facilitate more predictable, robust and stable payments to child care providers as well as stronger engagement between providers and their families. Strengthened family engagement through a contracted-slots model can reduce process barriers and burdens for families enrolling in care and facilitates the relationship-building that is critical to quality child care.

The improved economic stability and agency provided by subsidy contracts would increase participation of child care providers in the subsidy system and increase the supply of available infant and toddler care for families receiving subsidies, as well as incentivize new and/or continued care to our youngest keiki, as a whole.

With scarce availability of child care for infants and toddlers, this proposal to stabilize and support the financial viability of infant/toddler programs and incentivize their participation in the subsidy system is key to sustaining and increasing access to the child care families need to survive and thrive.

Thank you for this opportunity to provide testimony **in support of HB502**.

Elaine Yamashita  
105 Kamehameiki Rd.  
Kula, HI 96790-8451  
808-281-1216  
[elainey208@gmail.com](mailto:elainey208@gmail.com)

January 31, 2023

Aloha to Chair Mizuno, Vice-Chair Amato and committee members:

I am in support of HB 502. I'm an advocate for early care and education, longtime Hawai'i Association for the Education of Young Children (HiAEYC, an affiliate of NAEYC) member, and professor emerita of UH Maui College.

I have been in the early childhood profession for over 40 years. Infant/toddler care has been a great need all the way through.

Contracting slots for families that qualify for subsidies for infant/toddler care will help families and will help stabilize programs. It will also allow DHS to work out the best way to do this and hopefully in the future it can expand to other ages.

Mahalo for your consideration of this bill.

Mahalo,  
Elaine Yamashita

**HB-502**

Submitted on: 1/31/2023 3:13:36 PM

Testimony for HUS on 2/2/2023 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ryan Samonte	Individual	Support	Written Testimony Only

Comments:

Support!

- The demand for infant and toddler care is far greater than the supply in Hawai‘i. This can be especially difficult for families receiving child care subsidies who can’t wait months for care.
- Contracting directly with infant and toddler providers means that they are better able to afford to hold spaces for families receiving subsidies and are even encouraged to do so.
- [HB502](#) can have two important impacts for infant and toddler care: **1.**increase a consistent supply of infant and toddler care for families receiving child care subsidies while **2.**encouraging child care providers to continue caring for our youngest keiki.

**HB-502**

Submitted on: 1/31/2023 5:14:20 PM

Testimony for HUS on 2/2/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Raya Esteban	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Mizuno, Vice Chair Amato and committee members,

Please support House Bill 502, which would improve infant and toddler child care for families receiving subsidies by establishing an infant toddler contracted slots pilot program in the Department of Human Services (DHS). This measure can provide two important impacts for infant and toddler care, which is the most in need with families: 1) increase a consistent supply of infant and toddler care for families receiving subsidies while 2) incentivizing child care providers to continue caring for our youngest keiki.

The state is in dire need of more early educators who choose to care for and educate our youngest learners. According to People Attentive to Children (PATCH), Hawai'i's child care resource and referral agency, 78% of surveyed clients cite "no openings" as the number one difficulty in finding care, making **lack of openings** the number one issue families face in accessing child care for their youngest keiki. The volume of referral requests to PATCH for infant-toddler care underscores parents' interest in and search for formal, regulated child care options for children under 3.

**Child care is already one of the lowest-paid professions in the nation. Past research states that teachers and caregivers of infants and toddlers fare even worse, earning approximately \$2 (22%) less per hour, on average, than teachers serving children ages 3 to 5, even when they have the same credentials.**

Establishing a program where DHS contracts directly with infant and toddler child care providers will allow for stability within that segment of the sector. It will also help to incentivize those contracted providers to continue caring for infants and toddlers. And, it can help families receiving subsidies be able to find care immediately so they can stay employed and improve the lives of themselves and their families.

Please support this measure.

Mahalo,

Raya Esteban

To: Hawaii State House Committee on Health and Human Services  
Hearing Date/Time: Thursday, February 2, 2023, 9:00am  
Place: Hawaii State Capitol, CR 329 & Videoconference  
Re: Judith Ann Armstrong is in strong support of HB502 to provide Infant & Toddler Care for Families that Need It

Dear Members of the Health and Human Services Committee,

I, Judith Ann Armstrong, am in strong support of HB502 Relating to Child Care.

- Parents know getting a spot for their infant or toddler is like winning the megabucks! [HB502](#) creates a pilot (testing program) hoping to make it easier for families receiving childcare subsidies to get a spot.
- The demand for infant and toddler care is far greater than the supply in Hawai'i. This can be especially difficult for families receiving child care subsidies who can't wait months for care.
- Contracting directly with infant and toddler providers means that they are better able to afford to hold spaces for families receiving subsidies and are even encouraged to do so.
- [HB502](#) can have two important impacts for infant and toddler care: **1.** increase a consistent supply of infant and toddler care for families receiving childcare subsidies while **2.** encouraging childcare providers to continue caring for our youngest keiki.
- 

Thank you for this opportunity to testify in support of HB502.

Sincerely,

Judith Ann Armstrong

Committee on Human Resources  
The Hawaii State House of Representatives  
415 S Beretania St.  
Honolulu, HI 96813

Re: SUPPORT HB502

January 31, 2023

Dear Chair John M. Mizuno, Vice Chair Terez Amato, and esteemed members of the Committee on Human Resources,

I am writing to ask that you SUPPORT BILL [HB 502](#), which seeks to develop and implements procedures to subsidize child care slots in licensed infant and toddler child care settings.

As an educator in higher education and a parent of two children of my own, I know first hand how necessary qualified, caring child care workers are and how difficult securing child care slots in qualified centers can be. In the wake of the pandemic, a number of our workers still have not come back to working full time due to parental obligations, or the cost or unavailability of child care. Many of my students and the faculty at my school resort to watching children as they work and may be found attending Zoom meetings with their keiki on their laps.

The demand for infant and toddler care is far greater than the supply in Hawai'i. This can be especially difficult for families receiving child care subsidies who can't wait months for care. Contracting directly with infant and toddler providers means that they are better able to afford to hold spaces for families receiving subsidies and are even encouraged to do so. [HB 502](#) can have two important impacts for infant and toddler care: 1. increase a consistent supply of infant and toddler care for families receiving child care subsidies while 2. encouraging child care providers to continue caring for our youngest keiki.

For all these reasons and more, I strongly SUPPORT BILL [HB 502](#). Mahalo nui for introducing and hearing these bills!

Sincerely,



Erika Molyneux  
Mother of two, Resident of Kaneohe, Hawai'i  
Instructor, New Media Arts, Leeward Community College

**HB-502**

Submitted on: 2/1/2023 3:12:02 AM

Testimony for HUS on 2/2/2023 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Alexandra Chou	Individual	Support	Written Testimony Only

Comments:

- *The demand for infant and toddler care is far greater than the supply in Hawai‘i. This can be especially difficult for families receiving child care subsidies who can’t wait months for care.*
- *Contracting directly with infant and toddler providers means that they are better able to afford to hold spaces for families receiving subsidies and are even encouraged to do so.*
- *[HB502](#) can have two important impacts for infant and toddler care: **1.** increase a consistent supply of infant and toddler care for families receiving child care subsidies while **2.** encouraging child care providers to continue caring for our youngest keiki.*



**HB-502**

Submitted on: 2/1/2023 8:55:53 AM

Testimony for HUS on 2/2/2023 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kee	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Mizuno, Vice Chair Amato and committee members,  
Please support House Bill 502 which would improve infant and toddler child care for families receiving subsidies by establishing an infant toddler contracted slots pilot program in the Department of Human Services (DHS). This measure can provide two important impacts for infant and toddler care, which is the most in need with families: 1) increase a consistent supply of infant and toddler care for families receiving subsidies while 2) incentivizing child care providers to continue caring for our youngest keiki.

Establishing a program where DHS contracts directly with infant and toddler child care providers will allow for stability within that segment of the sector. It will also help to incentivize those contracted providers to continue caring for infants and toddlers. And, it can help families receiving subsidies be able to find care immediately so they can stay employed and improve the lives of themselves and their families.

Please support this measure.

Kee Lo

**HB-261**

Submitted on: 2/1/2023 5:04:55 AM

Testimony for HUS on 2/2/2023 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Heidi Allencastre	Individual	Support	Written Testimony Only

Comments:

**Aloha Chair Mizuno, Vice Chair Amato and committee members,**

**Please support House Bill 502 which would improve infant and toddler child care for families receiving subsidies by establishing an infant-toddler contracted slots pilot program in the Department of Human Services (DHS). This measure can provide two important impacts for infant and toddler care, which is the most in need with families: 1) increase a consistent supply of infant and toddler care for families receiving subsidies while 2) incentivizing child care providers to continue caring for our youngest keiki.**

**Establishing a program where DHS contracts directly with infant and toddler childcare providers will allow for stability within that segment of the sector. It will also help to incentivize those contracted providers to continue caring for infants and toddlers. And, it can help families receiving subsidies be able to find care immediately so they can stay employed and improve the lives of themselves and their families.**

**Please support this measure.**

**HB-502**

Submitted on: 2/1/2023 10:44:53 AM

Testimony for HUS on 2/2/2023 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Tiffany Kasoga	Leeward Community College	Support	Written Testimony Only

Comments:

- The demand for infant and toddler care is far greater than the supply in Hawai‘i. This can be especially difficult for families receiving childcare subsidies who can’t wait months for care.
- Contracting directly with infant and toddler providers means that they are better able to afford to hold spaces for families receiving subsidies and are even encouraged to do so.
- [HB502](#) can have two important impacts on infant and toddler care: **1.** increase a consistent supply of infant and toddler care for families receiving child care subsidies while **2.** encouraging childcare providers to continue caring for our youngest keiki.

**HB-502**

Submitted on: 2/1/2023 10:32:37 PM

Testimony for HUS on 2/2/2023 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Erica Yamauchi	Individual	Support	Written Testimony Only

Comments:

Aloha, Chair Mizuno, Vice Chair Amato and Committee Members,

Please support House Bill 502, which would improve infant and toddler child care for families receiving subsidies by establishing an infant/toddler contracted slots pilot program in the Department of Human Services (DHS). This measure can provide two important impacts for infant and toddler care, which is the most in need with families: 1) increase a consistent supply of infant and toddler care for families receiving subsidies while, 2) incentivizing child care providers to continue caring for our youngest keiki.

Establishing a program where DHS contracts directly with infant and toddler childcare providers will allow for stability within that segment of the sector. It will also help to incentivize those contracted providers to continue caring for infants and toddlers. And, it can help families receiving subsidies be able to find care immediately so they can stay employed and improve the lives of themselves and their families.

Please support this measure. Mahalo nui loa for the opportunity to testify.

Erica Yamauchi, Kaimukī/Wilhelmina Rise