



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

January 30, 2024

TO: Representative Lisa Marten, 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. 2535 – RELATING TO CHILD CARE
Hearing Date: Thursday, February 1, 2024
Time: 9:00 am
Location: Conference Room 329

EXECUTIVE OFFICE ON EARLY LEARNING'S POSITION: Support Intent

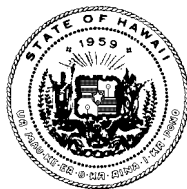
The Executive Office on Early Learning (EOEL) supports the intent of H.B. No. 2535 and defers to the Department of Human Services regarding implementation.

EOEL is committed to working collaboratively across sectors to expand access to high quality early learning for all keiki across the State. Supporting the sustenance of community-based child care programs will be critical for the State to reach its goals by ensuring families continue to have adequate early learning options that meet their unique needs.

This measure would increase a consistent supply of child care for families receiving subsidies while incentivizing the continuation of providing these services to young keiki through a mechanism that is more financially-sustainable for childcare businesses.

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

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

TRISTA SPEER
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 30, 2024

To: The Honorable Representative Lisa Marten, Chair
House Committee on Human Services

FROM: Cathy Betts, Director

SUBJECT: **HB 2535 – RELATING TO CHILD CARE.**

Hearing: Thursday, February 1, 2024, 9:00 a.m.
Conference Room 329, State Capitol & Video Conference

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill, provides comments, and requests amendments. DHS respectfully requests that any appropriation in this measure not replace or adversely impact priorities indicated in the executive budget.

PURPOSE: The purpose of this bill is to establish a child care contracts pilot program to develop and implement procedures to subsidize child care in licensed infant and toddler and group child care centers. Appropriates funds for the pilot program and sunsets the pilot program on June 30, 2027.

DHS currently can use contracts for direct service slots and is consulting with federal advisors about how the Child Care Development Fund (CCDF) may be used to increase the supply of care and quality of care. DHS has not seen significant utilization of contracted slots as providers could not find eligible families despite lobbying for the program.

DHS is open to discussion on how to maximize existing resources and respectfully recommends the following amendments:

- Section 1. Establish a child care classroom contracts pilot program to develop and implement procedures to subsidize child care by contracting for classrooms in licensed infant and toddler or group child care settings; and
- Section 2. (a) The department of human services shall establish and implement a child care classroom contracts pilot program no later than ~~[January 1, 2025]~~ July 1, 2025.
- Section 2. (b)(2) ~~[Only families participating in the department's child care connection Hawaii program]~~ Families who are eligible for a federally funded child care subsidy through the department of human services.
- Section 2. (c)(2) ~~[Contracts with child care providers shall last two years]~~ Contracts with child care providers will be a minimum term of 12 months and may be extended for the length of the pilot period.
- Section 6. This Act, upon its approval, shall take effect on July 1, 2024.

As the measure progresses through the session, DHS will provide cost estimates to contract for direct service slots and for funding one temporary program specialist position that will require a general fund appropriation of \$100,000 for each year of the pilot program.

Given the current workload and limited staff capacity, DHS appreciates the additional time to implement the program as noted in Section 2.

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

Aloha Legislators:

The Hawai'i Association of School Psychologists **supports** HB2535. This innovative initiative has the potential to significantly improve access to high-quality child care for families, enhance the stability and sustainability of child care providers, and promote positive outcomes for children across our state.

The child care classroom contracts pilot program represents a proactive and strategic approach to addressing the challenges facing our child care system. By requiring the Department of Human Services to contract directly with licensed infant and toddler and group child care centers that meet certain criteria, the program aims to expand access to high-quality child care for families, particularly those with low incomes or other barriers to accessing care. This direct contracting model can help streamline the process for families seeking child care assistance, reduce administrative burdens for providers, and ensure that state funds are directed towards quality services that meet the needs of children and families.

Moreover, the establishment of a child care classroom contracts pilot program has the potential to enhance the stability and sustainability of child care providers, particularly smaller or home-based providers that may face financial challenges or instability. By providing a reliable source of funding through direct contracts with the state, providers can more effectively plan and budget for their operations, invest in professional development and quality improvements, and maintain stable and supportive environments for children in their care.

Additionally, the requirement for reports to the Legislature and the appropriation of funds for a position to support the pilot program demonstrate a commitment to accountability, transparency, and ongoing evaluation of program outcomes. By regularly monitoring and assessing the effectiveness of the pilot program, policymakers can identify areas for improvement, make informed decisions about resource allocation, and ensure that the program is achieving its intended goals of expanding access to high-quality child care and supporting the sustainability of providers.

In conclusion, I urge you to support the establishment of a child care classroom contracts pilot program and the appropriation of funds to support this important initiative. By investing in quality child care and supporting the needs of children and families, we can create a more equitable and thriving future for all. Thank you for your attention to this critical issue.

Respectfully Submitted:

Alec Marentic, Ed.S., NCSP

HASP, Legislative Chair



COMMITTEE ON HUMAN SERVICES

BILL INSERT HB2535
POSITION: SUPPORT

Hearing Date: January 30, 2024

Aloha Chair Marten, Vice Chair Amato, and Committee Members:

Aloha United Way supports HB2535, which would increase the ability of families to access quality care at infant and toddler centers and group care centers. This measure can impact the child care sector in two primary ways: by providing a consistent supply of child care for the families who receive subsidies, and incentivizing child care providers to continue caring for our young keiki.

Implementing a program in which DHS directly contracts for classrooms with child care providers ensures financial stability for the provider, even when a child leaves the program unexpectedly. This approach also allows providers to retain seats for children with subsidies. Additionally, this pilot program will incentivize providers to continue caring for infants and toddlers, which is in high demand in our state. Finally, it can help families receiving subsidies to find care immediately so they can remain employed or be able to attend school or job training that allows them to increase their skills and earning potential. All these benefits are imperative to our ALICE households, who cite child care as one of the highest costs for families, and among the top stressors for parents.

ALICE stands for Asset Limited, Income Constrained, Employed, and refers to households who are employed but whose incomes are not sufficient to meet their basic costs. According to our 2022 report, more Hawai'i households have fallen below the ALICE Threshold, with an alarming increase in households now in poverty, from 9% in 2019 to 15% in 2022.

Thank you for the opportunity to testify and for your action to support ALICE families and the non-profit programs working to improve financial stability in Hawaii. We urge you to pass HB2535.

Sincerely,

A handwritten signature in black ink that reads "Kayla Keehu-Alexander".

Kayla Keehu-Alexander
Vice President, Community Impact
Aloha United Way

A handwritten signature in blue ink that reads "Suzanne Skjold".

Suzanne Skjold
Chief Operating Officer
Aloha United Way

Date: January 30, 2024

To: House Committee on Human Services
Representative Lisa Marten, Chair
Representative Terez Amato, Vice Chair

From: Early Childhood Action Strategy

Re: Support for **HB2535**, Relating to Child Care

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 and respectfully requests amendments for HB2535, which would establish a two-year pilot program in the Department of Human Services (DHS) to subsidize child care classrooms in licensed infant and toddler and group child care settings via contracts.

Hawaii faces significant unmet need for child care. There is sufficient capacity for less than 20% of children birth-5 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. Specifically, unstable and unpredictable enrollment and attendance of children, as well as insufficient payment rates to cover the cost of quality care can deter providers from serving subsidy children and undermine the financial stability and operating capacity of those providers who do.

Direct contracts for subsidized classrooms between DHS and infant/toddler and group child care centers, as proposed by **HB2535**, would facilitate more predictable, robust and stable payments to child care providers. The increased financial stability for child care providers provided by contracts would support their ability to staff their programs, stay in business, provide higher quality services, and potentially open up more spaces for children.

With our support for HB2535, we also respectfully recommend the committee consider the following amendments to Section 2 of the bill, for the purposes of clarity and flexibility:

SECTION 2. (a) The department of human services shall establish and implement a child care classroom contracts pilot program no later than January 1, 2025.

(b) The department of human services shall contract directly with licensed infant and toddler and group child care center providers that serve:

- (1) Children ~~three~~ **six weeks** to five years of age; and
- (2) ~~Only families participating in~~ **eligible for** the department's ~~child care connection Hawaii~~ **child care subsidy** programs.

Thank you for this opportunity to provide testimony **in support of HB2535**. With the limited availability of quality, affordable child care options for our keiki, the bill's proposal to stabilize and support the financial viability and operating capacity of our child care 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.

To: House Committee on Human Services
Re: HB2535, Relating to Child Care
Thursday, February 1, 2024; 9am
State Capitol room 329 and via videoconference

Strong support and proposed amendments to HB2535, relating to child care

Aloha Chair Marten, 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 2535, relating to child care.

Families looking for birth to five 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. However, for many families in our state, a lack of care often means an adult in the home cannot go to work or school.

Child care is not just expensive for families; it's also expensive to provide. 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. This measure is an **important pilot to test a new way to increase our child care supply**. If successful, this model would provide the mechanism for the state to support and grow community-based child care and preschool programs.

We offer a few friendly amendments to SECTION 2b.

- 1) Please amend to include children from six weeks to kindergarten entry.
- 2) Please consider removing the restriction of the program to "only families participating in the Department of Human Services child care connection Hawaii program." We request this be left to the discretion of DHS so that they may utilize other federal or state funding if available, such as the Preschool Development Grant.

Mahalo,
Deborah Zysman, MPH
Executive Director



Committee on Human Services
Representative Lisa Marten, Chair
Representative Terez Amato, Vice Chair

February 1, 2024

Dear Chair Marten, Vice Chair Amato, and Members of the Committee,

We support HB 2535, which establishes a child care classroom contracts pilot program that requires the Department of Human Services to contract directly with child care licensed infant and toddler and group child care centers that meet certain criteria.

We must support our early learning child care providers. Establishing a program where the Department of Human Services contracts directly with child care providers will allow for stability in both infant and toddler and group child care settings. This pilot is a first step to establish a mechanism to support early learning providers directly.

Hui for Excellence in Education, or "HE'E," promotes a child-centered and strength-based public education system in which families, communities and schools are valued and empowered to help every student succeed. HE'E works to bring diverse stakeholders together to harness collective energy, share resources, and identify opportunities for progressive action in education.

Thank you for the opportunity to testify. Our support for this measure represents at least a 75% consensus of our voting membership.

Sincerely,

Cheri Nakamura
HE'E Coalition Director



Coalition Members and Participants

Academy 21

Alliance for Place Based Learning

American Civil Liberties Union

Atherton YMCA

Education Institute of Hawai'i

*Faith Action for Community Equity

Fresh Leadership LLC

Girl Scouts Hawai'i

*HawaiiKidsCAN

*Hawai'i Afterschool Alliance

*Hawai'i Appleseed Center for Law and
Economic Justice

*Hawai'i Association of School Psychologists

Hawai'i Athletic League of Scholars

*Hawai'i Children's Action Network

Hawai'i Education Association

Hawai'i Nutrition and Physical Activity Coalition

* Hawai'i State PTSA

Hawai'i State Student Council

Hawai'i State Teachers Association

Head Start Collaboration Office

It's All About Kids

*INPEACE

Joint Venture Education Forum

Junior Achievement of Hawaii

Kamehameha Schools

Kanu Hawai'i

Kaua'i Ho'okele Council

Keiki to Career Kaua'i

Kupu A'e

*Leaders for the Next Generation

Learning First

McREL's Pacific Center for Changing the Odds

Native Hawaiian Education Council

Our Public School

*Pacific Resources for Education and Learning

*Parents and Children Together

*Parents for Public Schools Hawai'i

Special Education Provider Alliance

*Teach for America

The Learning Coalition

US PACOM

University of Hawai'i College of Education

* Youth Service Hawai'i

Voting Members () Voting member
organizations vote on action items while
individual and non-voting participants may
collaborate on all efforts within the*



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Human Services
Thursday, February 1, 2024, at 9AM
Conference Room 329**

RE: HB2535 Relating to Child Care

Chair Marten, Vice Chair Amato, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports HB2535**, which establishes a child care pilot program requiring the Department of Human Services to contract directly with certain child care providers.

The Chamber supports the purpose of this bill, to increase subsidies to improve affordability and conditions to promote child care. Limited access to childcare is one of the challenges that our local workforce faces today and a significant reason for Hawaii's overall workforce shortage. Low wages and a high cost of living make it difficult for childcare facilities to retain and grow the workforce. This bill would help retain and expand the local childcare workforce which is critical to ensure a thriving future for all of Hawaii businesses.

In discussions with our members, increasing the availability of childcare is a high priority. This measure mitigates child care provider business closures,

will help to expedite the building of such child care facilities needed for the viability of our workforce. Our business community and workforce cannot increase its capacity without such support.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Thank you for the opportunity to testify.



Aloha Chair, Vice Chair, and Committee Members,

As President of Kama'aina Kids, *a non-profit childcare organization dedicated to the welfare of over 6,000 infants to after-school programs cared for in over 100 locations across four islands in Hawaii*, I urge your support for HB 2535. This crucial bill holds the potential to greatly increase the availability of quality care for our youngest keiki and, in turn, support many families in rejoining the workforce.

Kama'aina Kids operates 20 preschool locations on Oahu and Maui, with 18 catering to infants and toddlers. The proposed bill establishes a pilot program for childcare classroom contracts within the Department of Human Services (DHS). This initiative is pivotal for our community-based childcare sector as it addresses two important aspects: firstly, it increases the availability of consistent licensed childcare for families relying on subsidies, and secondly, it provides stability for childcare providers to continue offering essential services for our young keiki.

By implementing a program where DHS directly contracts for classrooms with childcare providers, we ensure small business stability for these providers, even in cases of unexpected departures of children from the program. This allows providers to reserve seats for children with subsidies in community-based childcare centers. The pilot program would be a much-needed incentive for providers to continue caring for infants and toddlers – a service that is critical for families to re-enter the workforce in our high-demand state.

This initiative aligns with our mission at Kama'aina Kids to provide quality care and education for all children. It supports community childcare sites and helps families receive subsidies to secure immediate licensed and reliable care, enabling them to gain or maintain employment or pursue educational and skill-building opportunities.

Your support for HB 2535 is essential in realizing these positive impacts.

I kindly urge you to back this measure, recognizing its potential to strengthen Hawaii's childcare infrastructure and contribute to meeting the needs of Hawaii's families with young children.

Mahalo,

Dana Vela

President and CEO

HB-2535

Submitted on: 1/30/2024 8:09:26 AM

Testimony for HUS on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jessie L Gonsalves	Individual	Support	Written Testimony Only

Comments:

I support hb2535 our keiki need to have good people taking care of them So they need to be compensated for what they do. Please pass HB2535.

HB-2535

Submitted on: 1/30/2024 8:38:09 AM

Testimony for HUS on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Tricia-Lee Lum Ho	Individual	Support	Written Testimony Only

Comments:

Aloha,

Please pass this bill!

Mahalo,

Tricia-Lee Lum Ho

HB-2535

Submitted on: 1/30/2024 9:01:15 AM

Testimony for HUS on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello Chair, Vice Chair, and Committee Members,

My name is Nanea Lo. I am testifying in support of bill HB2535.

me ke aloha 'āina,

Nanea Lo

HB-2535

Submitted on: 1/30/2024 9:15:00 AM

Testimony for HUS on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Younghee Overly	Individual	Support	Written Testimony Only

Comments:

Thank you for hearing HB2535 which would improve the childcare offered in Hawaii.

HB-2535

Submitted on: 1/30/2024 9:26:49 AM

Testimony for HUS on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Terri Yoshinaga	Individual	Support	Written Testimony Only

Comments:

This bill gives us access to child care and provides stability with child care providers. We would have the chance for MORE child care seats.

HB-2535

Submitted on: 1/30/2024 9:57:57 AM

Testimony for HUS on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ryan Samonte	Individual	Support	Written Testimony Only

Comments:

I **support** HB2535. Please pass this bill.

Ryan S.

HB-2535

Submitted on: 1/30/2024 10:00:52 AM

Testimony for HUS on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Krystal Baba	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Committee Members,

Please pass HB2535 as I **support** this measure.

Mahalo for your consideration!

Krystal Baba

HB-2535

Submitted on: 1/30/2024 10:07:12 AM

Testimony for HUS on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Zoe Brooks-Jeffiers	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Marten, Vice Chair Amato, and Committee on Human Services members, my name is Zoe.

I am testifying in support of bill HB 2535, which would create a pilot program for contracting classrooms. This program is so important because we have a major child care shortage throughout our islands. It will help provide stability to our current providers and increase the accessibility of child care to families statewide.

Thank you for taking the time to read my support of HB 2535.

Mahalo,

Zoe Brooks-Jeffiers

HB-2535

Submitted on: 1/30/2024 10:27:18 AM

Testimony for HUS on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Wesley Palmer-Lasky	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Committee Members,

I am testifying in **support** of bill HB25345, Relating to Classrooms for Child Care.

This bill is important to me because childcare is extremely expensive and hard to access with waiting lists usually to get in. These factors, combined with our high cost of living, keep childcare out of reach for many of our working poor, further exacerbating their situation, as someone in the family makes a decision to not work in order to provide childcare.

Mahalo for listening and allowing me to share my support.

Sincerely,

Wesley D. Palmer, MD

HB-2535

Submitted on: 1/30/2024 11:23:41 AM

Testimony for HUS on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Elaine Yamashita	Individual	Support	Written Testimony Only

Comments:

Aloha,

I'm in support of HB 2535. Please look at Section 2 (b) (1). It looks like it should read "Children birth to five years" in order to accommodate the infant and toddler classrooms.

If passed, whit will help stabilize our early childhood programs.

Mahalo,

Elaine Yamashita

HB-2535

Submitted on: 1/30/2024 11:37:37 AM

Testimony for HUS on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Malia Tsuchiya	Individual	Support	Written Testimony Only

Comments:

[COMMITTEE ON HUMAN SERVICES](#)

Rep. Lisa Marten, Chair

Rep. Terez Amato, Vice Chair

DATE: Thursday, February 1, 2024

TIME: 9:00 a.m.

VIA VIDEOCONFERENCE

Conference Room 329

PLACE:

State Capitol

415 South Beretania Street

Bill: [HB 2535](#)

Position: **IN SUPPORT**

Dear Chair Marten, Vice- chair Amato and respected committee members,

Thank you for hearing HB 2535. I am writing in strong **SUPPORT of HB 2535.**

HB 2535 allows the dept of human services to enter into contracts with childcare provider programs. As written this bill will allow for 1 infant toddler program and 2 group child care center contracts to be created per county, allowing for increased stability in childcare programs and increased access to quality programs for families.

This contract structure is not new and has long been used by Headstart and Early Headstart programs both locally and nationally. Through the ongoing use of Headstart contracts as well as the data collected from research and pilots, The federal Dept. of Human Services has concluded

that contracts, when “well funded are an effective way to increase the supply of childcare services, especially in underserved communities.”

The proposed rule change issued by the federal dept of [Health and Human Services Department](#) on [07/13/2023](#) states that:

“Sufficiently funded grants and contracts for direct services are more likely to increase stability for child care providers than certificates, helping them remain in business, and thereby maintaining or increasing the supply of child care ([p.45029](#)).”

They also found evidence that providers had a greater ability to hire and retain qualified staff and establish better coordination between local and state systems. Finally, they also reported that the higher reimbursement rate paid with the contracts was closer to the true cost of providing care and allowed providers to invest in quality improvements. If the rule changes are approved, lead agencies would be required to include contracts and grants as a way to increase supply and improve quality of child care services.

Piloting contracted classrooms allows Hawaii to be in closer accordance with the upcoming federal rule changes that aims to increase supply and improve quality in childcare, both points that Hawaii cannot do without.

Please vote **IN FAVOR of HB 2535**.

Thank you for your time and service.

Respectfully submitted,

Malia Tsuchiya

HB-2535

Submitted on: 1/30/2024 2:44:46 PM

Testimony for HUS on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kristy Arias	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Committee members,

My name is Kristy Arias. I am testifying in support of Bill HB#2535. This bill is important to me because childcare is so important. Many families cannot stay home to take care of their child and rely on childcare. This bill will increase space for more childcare availability. Please, please consider this bill and approve it to help our community.

Mahalo for listening and allowing me to share my support.

Kristy Arias

HB-2535

Submitted on: 1/30/2024 6:39:22 PM

Testimony for HUS on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Traci Garma	Individual	Support	Written Testimony Only

Comments:

[COMMITTEE ON HUMAN SERVICES](#)

Rep. Lisa Marten, Chair

Rep. Terez Amato, Vice Chair

DATE: Thursday, February 1, 2024

TIME: 9:00 a.m.

VIA VIDEOCONFERENCE

Conference Room 329

PLACE:

State Capitol

415 South Beretania Street

Bill: [HB 2535](#)

Position: IN SUPPORT

Dear Chair Marten, Vice- chair Amato and respected committee members,

Mahalo for hearing HB 2535. I am writing in strong SUPPORT of HB 2535.

IT'S TIME TO THINK OUTSIDE OF THE BOX!!

HB 2535 allows the dept of human services to enter into contracts with childcare provider programs. As written this bill will allow for 1 infant toddler program and 2 group child care center contracts to be created per county, allowing for increased stability in childcare programs and increased access to quality programs for families.

This contract structure is not new and has long been used by Headstart and Early Headstart programs both locally and nationally. Through the ongoing use of Headstart contracts as well as the data collected from research and pilots, The federal Dept of Human Services has concluded that contracts, when “well funded are an effective way to increase the supply of childcare services, especially in underserved communities.”

The proposed rule change issued by the federal dept of [Health and Human Services Department](#) on [07/13/2023](#) states that:

Piloting contracted classrooms allows Hawaii to be in closer accordance with the upcoming federal rule changes that aims to increase supply and improve quality in childcare, both points that Hawaii cannot do without.

- Contracts are an effective mechanism to increase the supply of child care slots, particularly in underserved communities.
- Funding via contracts go directly to the provider and are designed to serve a specified number of classrooms of children.
- Unlike traditional family subsidies, contracts enable child care subsidies to stay with the provider.
- This means that even if a child leaves their program and frees up a contracted slot, providers are still able to retain funding for their classroom.

Please vote IN FAVOR of HB 2535.

Thank you for your time and service.

Respectfully submitted,

Traci M Garma

January 30, 2024

To: Representative Lisa Marten, Chair
Representative Terez Amato, Vice Chair
House Committee on Human Services

Subject: **Measure** – HB2535 RELATING TO CHILD CARE
Hearing Date - Feb. 1, 2024
Time - 9:00 AM
Location - Conference Room 329

This testimony is in strong support of HB2535.

Aloha Chair Marten and committee members,

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 (ECE³) Project.

HB2535 establishes a child care classroom contracts pilot program in the Department of Human Services (DHS) to develop and implement procedures to subsidize child care classrooms in licensed infant and toddler and group child care centers. The bill appropriates funds to implement the child care contracts pilot program. The pilot program will: 1) serve children of families receiving DHS child care subsidies; 2) provide contracts for at least one full classroom at one (1) licensed infant and toddler center per county; 3) provide for contracts for at least one full classroom at two (2) licensed group child care centers per county; 4) Provide contracts with child care providers that last two years.

Contracts are one of the strategies to increase the supply and quality of child care for children, between infants to kindergarten children. Contracts are agreements between the subsidy program (DHS) and child care providers to designate slots for subsidy-eligible children.

Sufficiently funded contracts for direct services are more likely to increase stability for child care providers than child care subsidies. Contracts can help child care providers remain in business, and maintain or increase the supply of child care. For example, an evaluation of an infant and toddler contracted slot pilot in Pennsylvania found that participating programs had greater financial stability than providers solely paid through child care subsidies, increased classroom quality, and more stable enrollment for infants and toddlers receiving child care subsidies. Through contracts, there has been evidence that child care providers had a greater ability to hire and retain qualified staff and establish better coordination between local and state systems.

In conclusion, I urge you to please support SB2535.

Mahalo for your your leadership and attention to this critical matter.

Dr. Terry Lock

HB-2535

Submitted on: 1/31/2024 7:46:18 AM

Testimony for HUS on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Chris Barzman	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Committee Members,

My name is Chris Barzman. I am testifying in **support** of bill HB2535.

This bill is important to me because this bill gives us access to child care and provides stability with child care providers. We would have the chance for **MORE** child care seats.

Mahalo for listening and allowing me to share my support.

HB-2535

Submitted on: 1/31/2024 8:57:38 AM

Testimony for HUS on 2/1/2024 9:00:00 AM

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

Comments:

Aloha Chair Marten, Vice Chair Amato, and committee members,

Please support HB 2535, which would increase the ability of families receiving Child Care Subsidies to access quality care at infant and toddler centers and group care centers. This bill would establish a child care classroom contracts pilot program in the Department of Human Services (DHS). This measure can provide two important impacts for the child care sector: 1) increase a consistent supply of child care for families receiving subsidies while 2) incentivizing child care providers to continue caring for our young keiki.

As a previous early childhood educator, I deeply understand the importance of children having warm, stable, and nurturing relationships with at least one adult caregiver. Greater financial stability for child care providers through contracts means that they are able to remain open, provide higher quality services, and potentially open up more spaces for children. Since providers face less of a risk of shutting down, children are able to stay in the programs they initially enrolled in and have the same early childhood educator. Having the same early childhood educator paired with a child encourages continuity of care, which has proven to have many benefits for children. Because I was able to stay as an assistant and eventually become a lead teacher in my early education program, I can personally attest that my relationship with the kids and their families deepened, allowing me to better address their individual needs. Furthermore, because I stayed throughout the school year, I was able to gain the trust of my children, which is especially important for those kids who have experienced frequent abandonment. Also, I was better equipped to work closely with the families and their children as they transitioned into preschool.

Again, implementing a program in which DHS directly contracts for classrooms with child care providers ensures financial stability for the provider, even when a child leaves the program unexpectedly. This approach allows providers to retain seats for children with subsidies. Additionally, this pilot program will incentivize providers to continue caring for infants and

toddlers, which is in high demand in our state. Finally, it can help families receiving subsidies to find care immediately so they can remain employed or be able to attend school or job training that allows them to increase their skills and earning potential.

Please support this measure.

Mahalo,

Raya Esteban

LATE

HB-2535

Submitted on: 1/31/2024 9:59:50 AM

Testimony for HUS on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Alapa?i	Individual	Support	Written Testimony Only

Comments:

We need to have the DOE and DOH move faster on capital projects. Not only is the DOE short staffed but they are forced to work in schools with buildings that are not adequate for staff.

HB-2535

Submitted on: 1/31/2024 2:14:26 PM

Testimony for HUS on 2/1/2024 9:00:00 AM

LATE

Submitted By	Organization	Testifier Position	Testify
Leilani Kailiawa	Individual	Support	Written Testimony Only

Comments:

Aloha!

I am in support of this bill. We definitely need stability period for our keiki and providers.

Mahalo,

Leilani. Kailiawa