July 8, 2008

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

I am transmitting herewith SB2878 SD2 HD2 CD1, without my approval, and with the statement of objections relating to the measure.

SB2878 SD2 HD2 CD1 A BILL FOR AN ACT RELATING TO EARLY LEARNING.

Sincerely,

LINDA LINGLE
STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2878

Honorable Members
Twenty-Fourth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 2878, entitled "A Bill for an Act Relating to Early Learning."

The purpose of this bill is to help Hawaii's children succeed upon entry into kindergarten by: (1) establishing an early learning system to be known as Keiki First Steps for children from birth until they enter kindergarten; (2) creating the Early Childhood Education Council attached to the Department of Education to develop and administer Keiki First Steps; (3) establishing the Keiki First Steps Grant Program and Keiki First Steps Trust Fund; and (4) statutorily establishing the Pre-Plus Program to promote the development of early learning facilities. Although this bill does not include an appropriation, Act 158, Session Laws of Hawaii 2008, established three positions and appropriated $250,000 in general funds for the Early Childhood Education Council. This bill is the result of recommendations contained in the report submitted to the Legislature by the Early Learning Educational Task Force established by Act 259, Session Laws of Hawaii 2006.

I have supported early learning opportunities for children and will continue to do so. Most recently, in 2005, I established the Quality Care Program administered by the Department of Human Services. This program provides incentives to providers of childcare services in all settings who adopt
quality standards or pursue professional development. Increased funding I approved for the Preschool Open Doors Program beginning in 2005, as part of the Quality Care Program, has enabled 2,240 new children to attend preschool.

This bill is objectionable because it establishes a Council that would have a programmatic impact on early childhood education programs outside of the framework of existing State agencies that are responsible for funding, licensing, and regulating these programs. This bill would vest in a Council the responsibility for developing and administering an early learning system with the authority to hire staff, expend State funds without appropriation or allotment, establish policies and procedures that impact State programs, expand these programs without regard to potential fiscal implications on other State programs, develop standards that would have to be enforced by other public entities, release data without seeking the approval of State organizations, and recommend the apportionment of State monies.

The powers vested in this Council could adversely impact the ability of the Department of Human Services to license, fund, regulate, and terminate early childhood education programs as provided for in Chapter 346, Hawaii Revised Statutes.

Further, I remain concerned that this bill anticipates a program with substantial, indeterminate costs. Cost models prepared by the Act 259 Task Force projected full implementation of a Keiki First Steps program for four-year-old children in the range of $144 million to $170 million. The Task Force is to be commended for undertaking the work necessary to makes these estimates. However, they also reveal the challenges that launching such a program would pose, given the current and
anticipated fiscal outlook for the State.

Although I cannot approve this bill at this time, we can continue the progress. I propose to establish an Early Childhood Education Council via an executive order to continue the work of the Act 259 task force. Recognizing the revised revenue projections for the State, the Council will have the opportunity to focus on the efficient use of existing resources, including the Quality Care and Preschool Open Doors Program; recommend enhancements to existing programs; and assist in the identification of additional funding opportunities, including maximizing the draw-down of federal revenues to which the State is entitled.

For the foregoing reason, I am returning Senate Bill No. 2878 without my approval.

Respectfully,

LINDA LINGLE
Governor of Hawaii
A BILL FOR AN ACT

RELATING TO EARLY LEARNING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

PART I

PURPOSE

SECTION 1. The legislature reaffirms its findings in Act 51, Session Laws of Hawaii 2004, that:

Although many responsibilities are laid upon education, ultimately education must do no less than advance the endowment of human culture itself, so that each succeeding generation finds itself further along the road towards peace, social justice, and environmental sustainability in a society guided by creativity, compassion, and curiosity.

The legislature finds that Hawaii's children, starting at birth, need support and guidance from families, caregivers, and teachers to reach their full potential as citizens. As a report released in 2007 by the National Scientific Council on the Developing Child, The Science of Early Childhood Development, Closing the Gap Between What We Know and What We Do, so aptly states:

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The future of any society depends on its ability to foster the health and well-being of the next generation. Stated simply, today's children will become tomorrow's citizens, workers, and parents. When we invest wisely in children and families, the next generation will pay that back through a lifetime of productivity and responsible citizenship. When we fail to provide our children with what they need to build a strong foundation for healthy and productive lives, we put our future prosperity and security at risk.

Yet, many of Hawaii's children lack the fundamental skills they should have when they enter kindergarten, a problem for which our state, let alone society as a whole, cannot afford a delayed response. From Neurons to Neighborhoods, a report developed by a committee of 17 national experts in the fields of education, psychiatry, neuroscience, economics, and public policy, found that:

- Striking disparities in what children know and can do are evident well before they enter kindergarten.
- These differences are strongly associated with social
and economic circumstances, and they are predictive of subsequent academic performance.

Research has confirmed that a large gap exists between the academic abilities of children from high- and low-income families by age six: the latter "lag further behind in acquiring more sophisticated reading and math knowledge and skills such as recognizing words by sight or solving simple addition and subtraction problems" (National Child Care Association, 2002).

The gap can be closed by building an early learning system for Hawaii. Decades of research have determined that investments in high-quality early learning systems, based on the collective involvement of families, caregivers, and teachers, produce significant, long-term benefits for all children. These benefits include improved school success, decreased dropout rates, reduced crime, and increased workforce preparedness and productivity.

Thirty-six states now offer some type of publicly-funded preschool program. Two states, Oklahoma and Georgia, have established preschool systems for all four-year-olds statewide,
and New York, Florida, and Illinois are in the process of establishing similar systems.

Hawaii is now one of only a few states in the nation that lacks a state-sponsored early learning system, despite the fact that it was one of the leaders in providing universal access for kindergarten and providing in 2001 a definition for "school readiness," which acknowledged the joint responsibility of families, schools, and communities in preparing children for lifelong learning. The legislature acknowledges the significant milestones achieved thus far in promoting young children's development and school readiness through public and private efforts:

(1) Hawaii’s healthy start program provides home visiting support to 2,400 at-risk children each year, and head start and early head start programs currently serve over 3,000 children from low-income families;

(2) Publicly-funded subsidies provided by the department of human services -- including the preschool open doors program that serves four-year-old children, and the subsidies provided to eligible parents and caregivers using federal funds from the child care
development block grant and temporary assistance to
needy families block grant -- make private child care
and early learning programs more accessible to many
children in need;

(3) Other programs of the department of human services
have increased both the quality and quantity of child
care services, including the pre-plus program which
operates at 16 department of education elementary
schools throughout the state, and the child care
capacity building and quality incentive payments
program which supports professional development and
increased capacity at private preschools;

(4) Local philanthropic educational organizations, such as
Kamehameha Schools, operate and otherwise contribute
to a full spectrum of early learning services for
children from birth until the time they enter
kindergarten;

(5) The United States Department of Defense has developed
a nationally-renowned quality child care system that
incorporates measures of accountability and offers
technical support, and is available to share its
expertise with local communities; and

(6) Act 219, Session Laws of Hawaii 2004, established a
two-tier junior kindergarten and kindergarten program
within the department of education to support the
range of developmental abilities of children. The
program allows for an extended period of time for a
child to succeed in kindergarten prior to entering
first grade.

However, the current landscape of Hawaii’s early learning
services remains highly fragmented and lacks cohesiveness. Act
77, Session Laws of 1997, created a public-private partnership
to build a coordinated system of early childhood care and
education, but it lacked sufficient authority, resources, and
accountability to reach its intended goal.

The current array of services and expertise form the basis
for further development and integration into an early learning
system that better serves Hawaii’s young children and their
families. The legislature finds that the state needs a
cohesive, comprehensive, and sustainable early learning system
that ensures a spectrum of quality early learning opportunities
for young children from birth until the time they enter kindergarten. It is vital that the early learning system be widely accessible and provide high-quality education and services that are evidence- and standards-based and require accountability, all the while maintaining sensitivity to family choice and cultural elements.

In 2006, the 23rd legislature passed Act 259, establishing the early learning educational task force, a diverse group of public and private stakeholders given the mission to develop a five-year plan for an early learning system. The resulting plan proposed a comprehensive, voluntary early learning system that would initially offer services to four-year-old children and focus on underserved families. In time, all families, regardless of income or background, would be provided access to high-quality, culturally-responsive early learning services that promote the healthy, successful development of children and their ability to reach their full potential. In late 2007, the task force produced a report to present their plan and findings and recommendations for an early learning system, including cost models with implementation guidelines over either a five- or ten-year period. The task force and its members are to be
commended for their excellent efforts that spanned over a year of meetings and discussion. This Act takes into consideration the findings and recommendations of the task force.

The purpose of this Act is to help Hawaii's children succeed upon entry into kindergarten by:

(1) Establishing an early learning system to be known as keiki first steps;

(2) Creating the early learning council to develop and administer the state's early learning system;

(3) Establishing the keiki first steps grant program;

(4) Statutorily establishing the pre-plus program; and

(5) Promoting the development of early learning facilities.

PART II

EARLY LEARNING SYSTEM

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

"CHAPTER

EARLY LEARNING SYSTEM
§ 1 Definitions. As used in this chapter, unless the context otherwise requires:

"At-risk children" means children who, because of their home and community environment, are subject to language, cultural, economic, and other disadvantages that cause them to be at risk for school failure, including children:

(1) Who are eligible for special education services;
(2) Who are English as a second language learners;
(3) Who reside within a public school district, established under chapter 302A, that is in need of improvement based on the criteria of the federal No Child Left Behind Act of 2001 (Public Law 107-110), as amended; or
(4) Whose family income is no more than two hundred fifty per cent of the federal poverty level.

"Center-based" describes programs in which early childhood education and care services are provided in a facility, including private preschools, child care centers, and head start programs, licensed, or excluded or exempt from licensing, by the department of human services.
"Council" means the early learning council established pursuant to this chapter.

"Family child care program" means a program in which a child is cared for in a family child care home licensed under section 346-161.

"Family-child interaction learning program" means a program attended by both a child and at least one adult who is the child's parent, relative, or other caregiver, that facilitates family-child interactive learning experiences for children and educates the family member or members about how to encourage the child's learning.

"Home-based instruction program" means a family-involvement, school-readiness program that helps families prepare their child for success in school and beyond, and that is based in the child's home; provided that home schooling is not a home-based instruction program.

§ -2 Early learning system; keiki first steps. There is established an early learning system, to be known as keiki first steps, that shall ensure a spectrum of high-quality early learning opportunities for children throughout the state, from birth until the time they enter kindergarten, with priority
given to underserved or at-risk children. The early learning system shall be developed and administered by the early learning council to the extent permissible by law. The early learning system shall:

1. Be widely accessible and voluntary for both those served and program and service providers;

2. Be a cohesive, comprehensive, and sustainable system in which:

   (A) All existing early learning programs and services, whether publicly- or privately-run, which consist of a variety of early learning approaches, service deliveries, and settings, including center-based programs, family child care programs, family-child interaction learning programs, and home-based instruction programs designed to promote early learning, are coordinated, improved, and expanded;

   (B) Public and private resources are maximized; and

   (C) The use of public facilities for either publicly- or privately-run early learning programs is maximized;
(3) Provide high-quality early learning experiences with:

(A) Standards-based content and curriculum, and accountability; and

(B) Sufficient numbers of well-qualified educators and administrators who are fairly compensated and have access to continuing professional development;

(4) Offer opportunities for family and community engagement and parent education and support; and

(5) Be sensitive to family choice and cultural diversity.

§ -3 Early learning council. (a) There is established an early learning council which shall be attached to the department of education for administrative purposes only, notwithstanding any other law to the contrary. To the extent permissible by law, the council shall develop and administer the early learning system established in section -2 to benefit all children throughout the state, from birth until the time they enter kindergarten. In developing the early learning system, the council shall, among other things:

(1) Establish policies and procedures governing its operations;
(2) Develop a plan, with goals and objectives, for the early learning system, including the development, execution, and monitoring of a phased implementation plan;

(3) Coordinate, improve, and expand upon existing early learning programs and services for children from birth until the time they enter kindergarten;

(4) Establish policies and procedures to include existing early learning programs and services;

(5) Establish additional early learning programs and services;

(6) Establish policies and procedures governing the inclusion of children with special needs;

(7) Develop incentives to enhance the quality of programs and services within the early learning system;

(8) Coordinate efforts to develop a highly-qualified, stable, and diverse workforce, including:

(A) Ensuring that more early childhood educators and administrators, existing or potential, have opportunities to receive early childhood
education degrees, including offering higher
education scholarships;

(B) Increasing the availability of early childhood
education coursework, including distance learning
courses and community-based early childhood
education training;

(C) Providing access to continuing professional
development for all educators and administrators;

(D) Establishing a system for awarding appropriate
credentials to educators and administrators, as
incentives to improve the quality of programs and
services, relevant to the various early learning
approaches, service deliveries, and settings,
such as for experience or coursework or degrees
completed;

(E) Providing consultation on the social-emotional
development of children; and

(F) Providing substitute teacher allowances;

(9) Develop and implement methods of maximizing the
involvement of families, caregivers, and teachers in
the early learning system;
(10) Develop an effective, comprehensive, and integrated system to provide training and technical support to programs and services within the early learning system;

(11) Develop standards of accountability to ensure that high-quality early learning experiences are provided by programs and services of the early learning system;

(12) Collect, interpret, and release data relating to early learning in the state;

(13) Recommend the appropriate proportion of state funds that should be distributed to programs and services across the early learning system, to ensure the most effective and efficient allocation of fiscal resources within the early learning system;

(14) Promote awareness of early learning opportunities to families and the general public; and

(15) Consult with community groups, including statewide organizations that are involved in early learning professional development, policy and advocacy, and early childhood programs, to broaden the council's knowledge of early learning.
(b) The council shall consist of the following voting members:

1. The superintendent of education or the superintendent's designee;
2. The director of human services or the director's designee;
3. The director of health or the director's designee;
4. The president of the University of Hawaii or the president's designee;
5. A representative of center-based program providers;
6. A representative of family child care program providers;
7. A representative of family-child interaction learning program providers;
8. A representative of philanthropic organizations that support early learning; and

The council shall invite the director of the Hawaii head start state collaboration office, the chief executive officer of the Kamehameha Schools, and the executive director of the Hawaii
Association of Independent Schools, or their designees, to serve as voting members of the council.

Except for the superintendent of education, directors of state departments, president of the University of Hawaii, director of the Hawaii head start state collaboration office, chief executive officer of the Kamehameha Schools, and executive director of the Hawaii Association of Independent Schools, or their designees, and the two representatives of the Hawaii Council of Mayors, the members shall be nominated and, by and with the advice and consent of the senate, appointed by the governor.

(c) Except for the superintendent of education, directors of state departments, president of the University of Hawaii, director of the Hawaii head start state collaboration office, chief executive officer of the Kamehameha Schools, and executive director of the Hawaii Association of Independent Schools, or their designees, members of the council shall serve staggered terms as follows:

(1) The representative of center-based program providers shall serve a two-year term;
The representative of family child care program providers shall serve a three-year term;

The representative of family-child interaction learning program providers shall serve a three-year term;

The representative of philanthropic organizations that support early learning shall serve a two-year term; and

Of the two representatives of the Hawaii Council of Mayors, one shall serve a two-year term, and the other shall serve a three-year term as determined by the Hawaii Council of Mayors.

d) The council shall select a chairperson by a majority vote of its members; provided that the chairperson shall be a representative from the private sector. A majority of the members serving on the council shall constitute a quorum to do business. The concurrence of the majority of the members serving on the council shall be necessary to make any action of the council valid.

e) The council may form workgroups and subcommittees, including with individuals who are not council members, to:
(1) Obtain resource information from early learning professionals and other individuals as deemed necessary by the council;

(2) Make recommendations to the council; and

(3) Perform other functions as deemed necessary by the council to fulfill its duties and responsibilities.

Two or more council members, but less than a quorum, may discuss matters relating to official council business in the course of their participation in a workgroup or subcommittee, and such discussion shall be a permitted interaction as provided for in section 92-2.5.

(f) Members of the council shall serve without compensation but shall be reimbursed for expenses, including travel expenses, necessary for the performance of their duties.

(g) The council shall appoint, without regard to chapters 76 and 89, an executive director who shall serve at the pleasure of the council and whose duties shall be set by the council. The salary of the executive director shall be set by the council; provided that the salary shall not exceed the salary of the deputy director of the department of human services. The executive director may also appoint other personnel, without
regard to chapters 76 and 89, to work directly for the executive
director.

(h) The council may require reports as necessary in the
form specified by the council, from state agencies, and program
and service providers of the early learning system. All
publicly-run programs and services that participate in the early
learning system shall establish a system to account for
expenditures of non-federal funds that would qualify for
matching federal childcare and development funds, or other
federal funds, and provide this data to the council to maximize
the availability of federal funds. Privately-run programs and
services that participate in the early learning system shall be
encouraged to make the same data available.

(i) The council shall submit to the legislature no later
than twenty days prior to the convening of each regular session,
a report regarding:

1. Its progress; and
2. The status of the early learning system in the state.

§ -4 Keiki first steps grant program; establishment.

(a) There is established, as part of the early learning system,
the keiki first steps grant program, to be developed by the
council and administered by the department of human services.

The program shall increase early learning opportunities that meet high standards of quality through the awarding of grants to publicly- or privately-run:

1. Center-based programs for three- and four-year-old children; and
2. Family child care programs, family-child interaction learning programs, and other early learning programs and services regardless of the age of children served.

(b) Eligibility criteria for grants. The department of human services may award grants for the keiki first steps grant program based on criteria that shall be developed by the council. The criteria shall include the requirement that early learning programs and services meet certain standards of quality, including:

1. The implementation of evidence-based and culturally responsive models of service delivery;
2. The use of evidence-based curricula and methods;
3. Minimum scheduling requirements, as follows:
   (A) For center-based programs: providing services for a full school day and full school year;
(B) For family child care programs: providing services for three hours daily for a full school year;

(C) For family-child interaction learning programs operating in classroom-like settings: providing early learning activities at least twice a week for a full school year, and for a minimum of three hours each day; and

(D) For home-based instruction programs: providing early learning activities for no fewer than thirty weeks within a school year;

(4) Staff-to-child ratios and group size that meet or exceed nationally recommended standards;

(5) The employment of teachers and administrators who meet the qualifications required by the council;

(6) The incorporation of preschool content standards or other early learning guidelines;

(7) The implementation of health and developmental screenings for children;

(8) Opportunities for parent or family engagement and parent education and support; and
(9) Activities for monitoring and data collection to evaluate early learning programs and services and inform best practices.

(c) Training; technical assistance; monitoring. The department of human services may offer technical support to, and shall be responsible for monitoring to ensure the accountability of programs and services within the keiki first steps grant program, according to the standards developed by the council.

§ -5 Keiki first steps trust fund. There is established within the state treasury the keiki first steps trust fund, to be administered by the early learning council, into which shall be deposited all moneys received by the council in the form of:

(1) Fees;

(2) Grants;

(3) Donations;

(4) Appropriations made by the legislature to the fund; and

(5) Revenues regardless of their source, and earnings on moneys in the fund. Moneys in the fund shall be used for the early learning system. Expenditures from the fund may be made by the council without appropriation or allotment."
PART III

SECTION 3. Section 302A-409, Hawaii Revised Statutes, is repealed.

"§302A-409—Policy. The department shall develop a plan for quality voluntary early education that will be fully implemented and available statewide to all eligible children on a voluntary basis no later than January 1, 2000."]

SECTION 4. Section 302A-410, Hawaii Revised Statutes, is repealed.

"§302A-410—Quality early education plan. (a) The department plan for quality early education shall focus on children from ages four up to six years.

(b) The board shall adopt standards and criteria for quality early education based on current national standards and the needs of Hawaii's children. The standards and criteria shall provide the basis upon which the early education plan shall be developed.

(c) The department of education shall work cooperatively with the department of human services, the department of health, college level education programs, early education organizations, parents of young children, and other appropriate organizations,
in developing a quality early education plan. The plan shall
include but not be limited to the following:

(1) Standards for curriculum, activities, facilities, and
teacher training for early childhood education;

(2) Methods and materials designed to involve and educate
parents and guardians in the education and development
of their young children;

(3) A timetable and implementation schedule, approved by
the board, to be submitted to the governor and the
legislature;

(4) Costs for delivery of early childhood services,
including how costs can be shared between the public
and private sectors; and

(5) Assessment of training and certification capacity of
teachers, including assurances by teacher training
institutions to recruit and graduate qualified staff
for early childhood education.

(d) Early education shall be delivered through private
providers to the maximum extent possible, and provision shall be
made to enable parents and guardians to opt for home care if
they so choose by providing early childhood education resources
in each school for in-home use.

(e) Beginning with the 1997-1998 school year, this section
shall be interpreted as though the term "certification" read
"licensing", as the term is used in part III, subpart D, and as
circumstances require.

PART IV

EARLY LEARNING FACILITIES

SECTION 5. Chapter 346, Hawaii Revised Statutes, is
amended by adding a new section to be appropriately designated
and to read as follows:

"§346- Early childhood education facilities; pre-plus.

(a) There is established the pre-plus program within the
department to expand access to affordable and high-quality early
childhood education for three- to four-year-old children from
low-income families, by allowing preschool programs to be
established on public school campuses through public-private
partnerships.

(b) The department and the department of education shall
work collaboratively to develop suitable pre-plus classrooms on
department of education campuses statewide, including conversion
charter school campuses. The department, with the department of education, shall coordinate site selection for additional pre-
plus programs at public school sites, with priority given to public school sites that serve at-risk children as defined in section -1, including sites located in areas with limited access to early learning programs and services."

SECTION 6. Section 302A-1506.5, Hawaii Revised Statutes, is amended to read as follows:

"[+]§302A-1506.5[+] Early [childhood education] learning facilities; identifying sites. (a) The department of education shall identify unused public school facilities to be used for [use by] early [childhood education] learning programs[+] and services. Suitable empty classrooms, as determined by the department, shall be inventoried for potential use [in] for early [childhood education] learning programs[+] and services. Priority shall be given to facilities on sites with sufficient space for three or more classrooms to be renovated or constructed.

(b) The department shall assist in the identification of possible construction sites for private providers to build early [childhood education] learning facilities."
(c) The department shall submit an annual report to the legislature and the early learning council no later than twenty days prior to the convening of each regular session on:

(1) The number of classrooms that would be suitable for programs and services in the early learning system established by chapter ; and

(2) The cost of renovating these classrooms to meet the standards of programs and services in the early learning system."

PART V

MISCELLANEOUS

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 8. This Act shall take effect on July 1, 2008.