

# Hawai'i Children's Budget: Key Findings

**THE WELLBEING AND VIBRANCY** of Hawai'i tomorrow depends on the collective investment in our children today. This investment is also the key to a more equitable future. Unless we ensure economic security, decent housing, and good education for all, we relegate some children—usually those whose families face income and discrimination barriers—to a future of poverty, dependence, and poor mental and physical health.

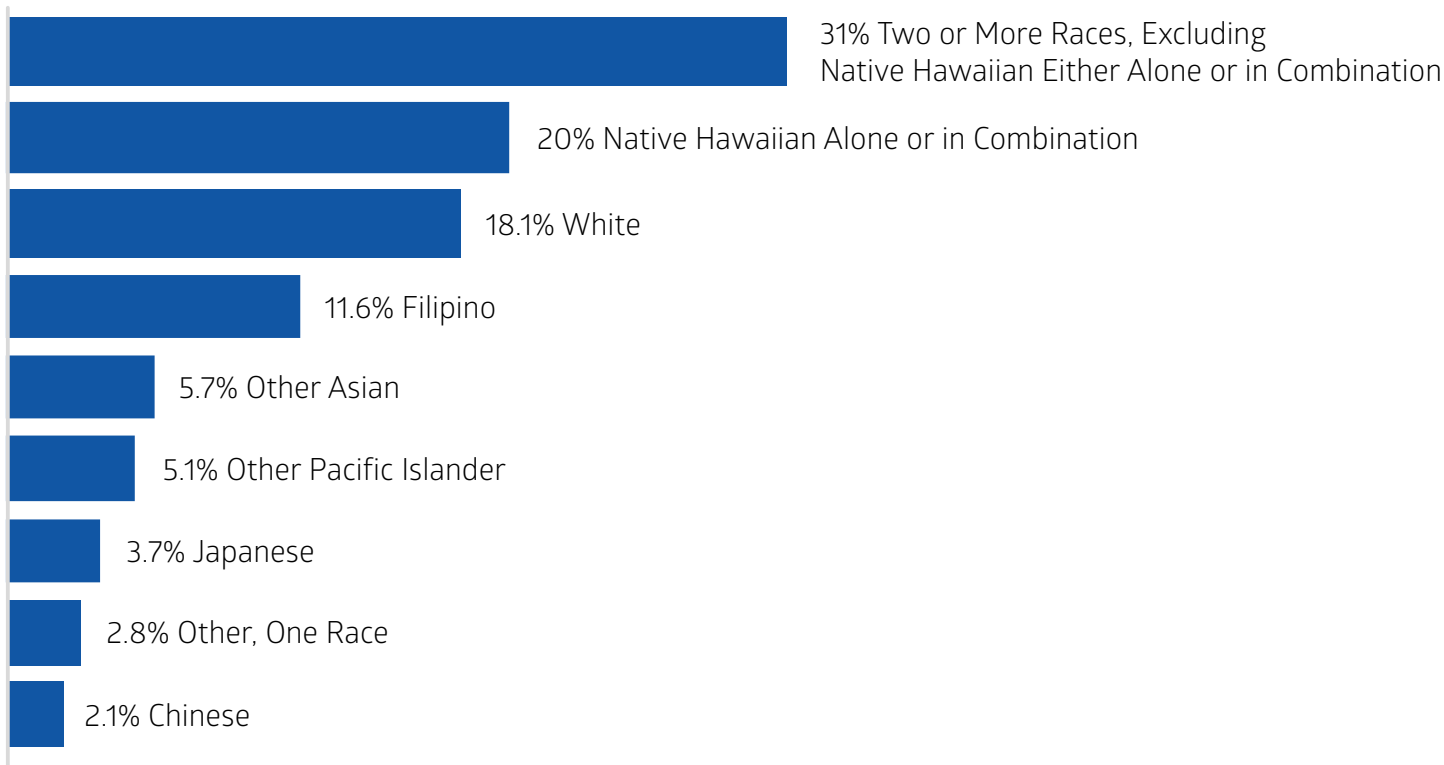
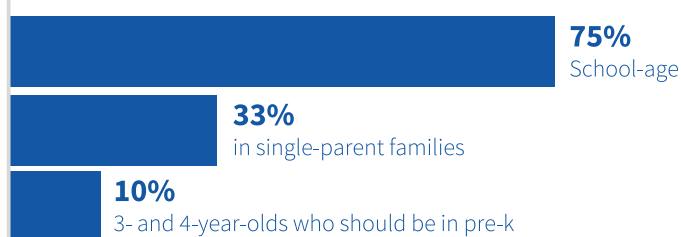
That's why the Hawai'i Budget & Policy Center, in collaboration with the Hawai'i Children's Action Network, produced the first Hawai'i Children's Budget. As it reports on how the state is investing public resources in children, it expects to inspire discussion about the adequacy and equity of such spending, and serve as a benchmark to measure future trends.

## A Profile of Hawai'i's Children



37% of households have children

**310,000 Total Children**



An estimated 310,000 children, from newborns through the age of 18, live in Hawai'i. Most are of school age, but more than 10 percent are 3- and 4-year-olds who should be enrolled in pre-Kindergarten education.

Families with children under the age of 6 are more likely to be economically insecure, and face the challenge of having to cover the high cost of child care, pre-K and housing, all of which are critical to early childhood development.

In addition, one-third of all children are in single-family households, which are more likely than others to have inadequate economic resources.

Hawai'i's children are racially and ethnically diverse. One in five is indigenous—Native Hawaiian alone or in combination—and another 29 percent are part of immigrant families.



### How Hawai'i Invests in its Children

The Hawai'i Children's Budget assessed the budgets and actual expenditures for state-supported programs that contribute most to the current and future wellbeing of children, namely public education, economic and social support for children and their families, Medicaid and public and behavioral health services for children.

The report shows that the amount budgeted overall and per children (in inflation-adjusted dollars) declined between 2005 and 2022. It is also important to note that the budget overstates Hawai'i's investment in these programs. Only 91 percent of the amounts budgeted are spent.

	2005	2022	Difference
Total State Budget for Children	\$3.29 billion	\$3.27 billion	<b>-\$17.3 million</b>
Amount Spent Per Child	\$10,979	\$10,562	<b>-\$417</b>
Percentage of Executive Budget Spent on Children	25%	21%	<b>-4%</b>

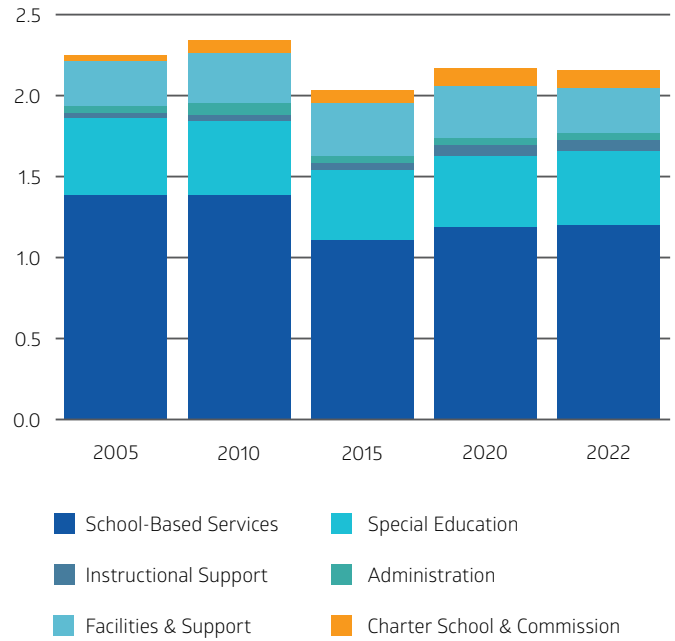
## Public Education

Hawai‘i’s public schools educate more than 170,000 children with a budget of \$2.2 billion, a slight decrease (in inflation-adjusted dollars) from 2005. On average, it spends 95 percent of its budget every year.

Quality education is one of the most important investments we can make to ensure a future of equity and opportunity for Hawai‘i’s children. In 2020, 52 percent of public high school graduates were economically disadvantaged, 22 percent were current or prior English Language Learners, and 8 percent received special education services.

The largest public education trend since 2005 has been the growth of charter schools. While Hawai‘i has begun its journey to ensure quality public pre-K education, the budget appropriated to do so is a fraction of the amount needed.

Public Education Budget Trends  
(\$ Billions, in 2021 Dollars)



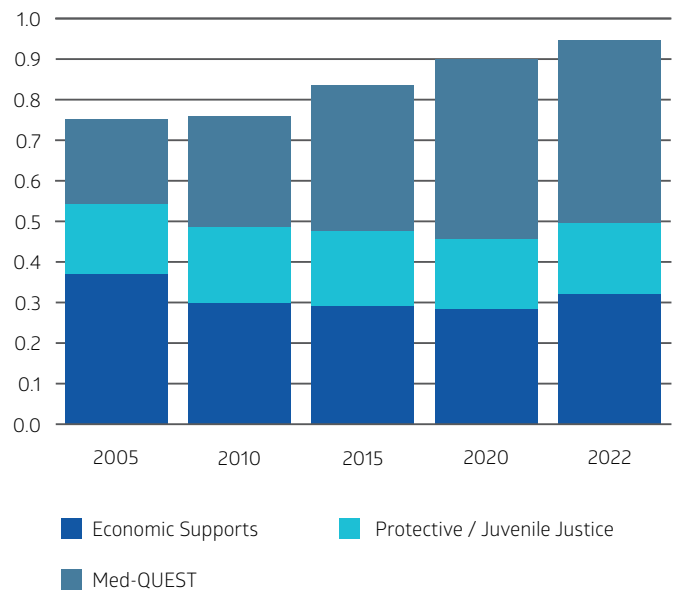
## Economic and Social Supports

Hawai‘i’s budget for economic and social support programs for keiki, including Med-QUEST, is \$948 million. This amounts to \$3,057 per child in 2022.

Except for Med-QUEST spending, investments in the economic and social wellbeing of children have not kept up with need over the past decade. In addition, programs that support economic and social support programs spent only 69 percent of their budgets, while Med-QUEST spent 92 percent of its allocation.

A disconcerting budget trend among these programs is declining support for community-based youth programs, which have lost one-third of their funding since 2005. Med-QUEST—Hawai‘i’s Medicaid program—on the other hand, has more than doubled, increasing both its enrollment of children and the budget to serve them.

Economic & Social Supports Budget Trends  
(\$ Billions, in 2021 Dollars)

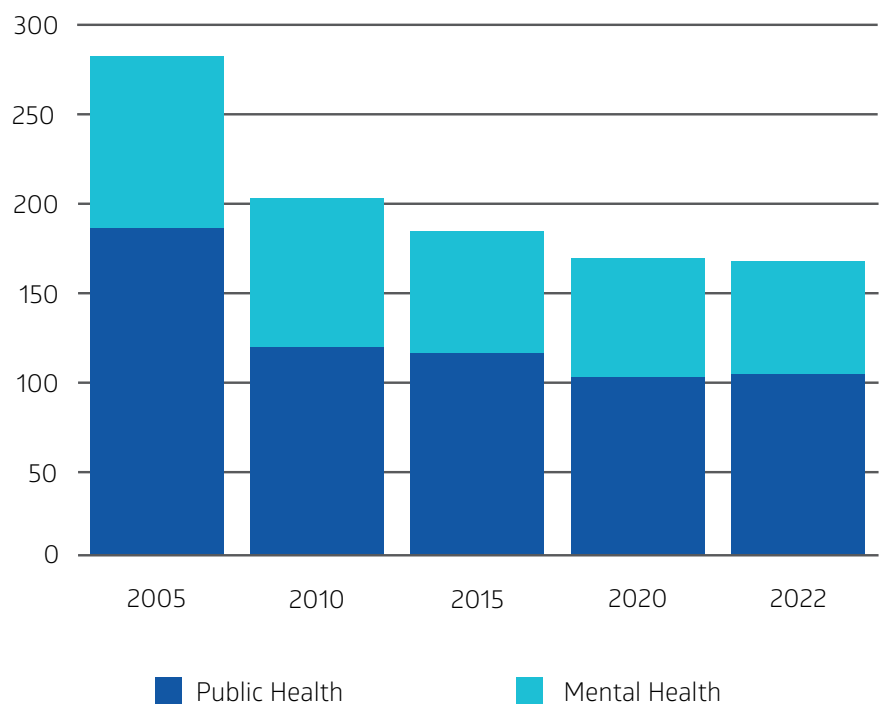


## Public and Mental Health

Hawai'i budgeted \$165 million for public and mental health programs for children in 2022, 41 percent less than in 2005. While its 2022 budget amounts to \$533 per child, its actual spending—just 89 percent of its budget—is \$474.

The declining budgets for these programs may be related to increased services provided by Med-QUEST and the transfer of responsibility for certain behavioral health services from the Department of Health to the Department of Education a decade ago. Because investing in good physical and behavioral health for children is so important, adequate funding is an area that needs further investigation.

Public and Mental Health Budget Trends  
(\$ Millions, in 2021 Dollars)



## Recommendations

Hawai'i policymakers need a fundamental change in approach and investment in children to help our kids realize their potential and be able to contribute to our communities for generations to come. These include:

- Rapidly expanding resources to provide high-quality universal pre-Kindergarten and child care for younger children.
- Addressing economic security for children and their families, with access to affordable workforce housing as a priority. Maximize state and federal programs that subsidize the cost of food, utilities, childcare and other household essentials.
- Reauthorize an improved state Earned Income Tax Credit that is refundable to help the lowest-income families.
- Invest more in strategies and programs that help at-risk youth and those who are neither working or in school fulfill their potential.