

JAN 26 2022

A BILL FOR AN ACT

RELATING TO CHILD CARE GRANT PROGRAMS OF THE DEPARTMENT OF HUMAN SERVICES.

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

1 SECTION 1. The purposes of this Act are to rename the
2 preschool grant program special fund to the child care grant
3 program special fund; authorize the child care grant program
4 special fund to be used to give grants to child care facilities;
5 add federal funds as one of the fund sources for the child care
6 grant program special fund; change the legislative report due
7 date for the preschool open doors special fund and the child
8 care grant program special fund from August 31 to twenty days
9 prior to the start of the next legislative session; and remove
10 the authority to expend funds without an appropriation for the
11 preschool open doors special fund and child care grant program
12 special fund statutes to conform to section 5 of article VII of
13 the Hawaii State Constitution.

14 SECTION 2. Section 346-182, Hawaii Revised Statutes, is
15 amended to read as follows:

16 " [f] §346-182 [f] **Preschool open doors special fund.** (a)
17 There is established within the state treasury the preschool

S.B. NO. 3110

1 open doors special fund, to be administered by the department's
2 child care assistance program, into which shall be deposited all
3 moneys received by the department's child care assistance
4 program in the form of:

5 (1) Fees;

6 (2) Grants;

7 (3) Donations;

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

9 and

10 (5) Revenues regardless of their source, and earnings on
11 moneys in the fund. Moneys in the fund shall be used for the
12 procurement of health and human services under the preschool
13 open doors program. Expenditures from the fund may be made by
14 the department without [~~appropriation or~~] allotment but shall
15 not be made for capital improvement projects.

16 (b) The department shall submit an annual report to the
17 legislature, no later than [~~August 31,~~] twenty days prior to the
18 start of the next legislature, on the sources of moneys
19 deposited into the fund and expenditures of moneys in the fund."

20 SECTION 3. Section 346-183, Hawaii Revised Statutes, is
21 amended to read as follows:

S.B. NO. 3110

1 " ~~[f]~~ §346-183 ~~[f]~~ ~~[Preschool]~~ Child care grant program
2 special fund; established. (a) There is established within the
3 state treasury the ~~[preschool]~~ child care grant program special
4 fund, to be administered by the department, into which shall be
5 deposited:

- 6 (1) Donations to the fund;
- 7 (2) Appropriations made by the legislature to the fund;
- 8 (3) Revenues regardless of their source; ~~[and]~~
- 9 (4) Earnings on moneys in the fund~~[.];~~ and
- 10 (5) Federal funds received by the department consistent
11 with the purposes of this section.

12 (b) The department shall expend moneys in the special fund
13 to award ~~[funds]~~ grants to private entities for the operating
14 costs of new ~~[preschools]~~ or existing child care facilities, to
15 establish new child care facilities, or for expansion of
16 existing ~~[preschools at the private entity's place of business.]~~
17 child care facilities.

18 (c) Expenditures from the fund may be made by the
19 department without ~~[appropriation or]~~ allotment.

20 (d) Any grant awarded ~~[pursuant to this section]~~ or
21 expenditure of funds for the administration of ~~[the preschool~~
22 ~~open doors program]~~ a grant program pursuant to this section

S.B. NO. 3110

1 shall be exempt from chapters 103D and 103F. The department
2 shall adopt rules pursuant to chapter 91 to effectuate the grant
3 ~~[program.]~~ programs.

4 (e) Grants shall be disbursed pursuant to a contract
5 between the department or its designee and the grant recipient,
6 in accordance with the rules adopted pursuant to subsection (d).

7 (f) For the purposes of this section:

8 "Grant" means an award of funds to a specified recipient to
9 support the activities of the recipient and permit the community
10 to benefit from those activities.

11 ~~[(e)]~~ (g) The department shall submit an annual report to
12 the legislature ~~[,no later than August 31,]~~ when grant funds are
13 received or expended, no later than twenty days prior to the
14 start of the next legislative session, on the sources of moneys
15 deposited into the fund and expenditures of moneys in the fund."

16 SECTION 4. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY:



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BY REQUEST

S.B. NO. 3110

Report Title:

Department of Human Services; Child Care Grant Programs

Description:

Renames the Preschool Grant Program Special Fund to the Child Care Grant Program Special Fund, authorizes the Child Care Grant Program Special Fund to be used to give grants to child care facilities, adds federal funds as one of the fund sources for the Child Care Grant Program Special Fund, changes the legislative report due date for the Preschool Open Doors Special Fund and Child Care Grant Program Special Fund from August 31 to twenty days prior to the start of the next legislative session, and deletes the authority to expend without an appropriation for the Preschool Open Doors Special Fund and Child Care Grant Program Special Fund statutes to conform to section 5 of article VII of the Hawaii State Constitution.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Human Services

TITLE: A BILL FOR AN ACT RELATING TO CHILD CARE GRANT PROGRAMS OF THE DEPARTMENT OF HUMAN SERVICES.

PURPOSE: To rename the Preschool Grant Program Special Fund to the Child Care Grant Program Special Fund; authorize the Child Care Grant Program Special Fund to be used to give grants to child care facilities; add federal funds as one of the fund sources for the Child Care Grant Program Special Fund; change the legislative report due date for the Preschool Open Doors Special Fund and the Child Care Grant Program Special Fund from August 31 to twenty days prior to the start of the next legislative session, and removes the authority to expend funds without an appropriation for the Preschool Open Doors Special Fund and Child Care Grant Program Special Fund statutes to conform to section 5 of article VII of the Hawaii State Constitution.

MEANS: Amend sections 346-182 and 346-183, Hawaii Revised Statutes (HRS).

JUSTIFICATION: Amendment to section 346-183, HRS, would allow the Department of Human Services (DHS) to provide grants to child care facilities as defined by section 346-151, HRS, which include Preschool Open Doors Program providers. DHS will be able to implement child care grant programs similar to the child care grant program established in Act 9, Session Laws of Hawaii 2020 (Act 9), and now being implemented through emergency administrative rules effective August 6, 2021.

In 2020, as a result of the coronavirus disease 2019 (COVID-19) pandemic, pursuant to Act 9, Part XII, the Legislature established the child care grant program to

support child care facilities during the COVID-19 pandemic, and appropriated federal funds appropriated to the State by the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, to implement the purpose of Act 9, Part XII. Additionally, Congress appropriated the child care relief and stabilization fund through the American Rescue Plan Act of 2021, Pub. L. No. 117-2.

Additional federal funds may be forthcoming to continue to support child care facilities until the pandemic is declared over or until such time as employment and the State's economic conditions are more predictable and stabilized.

The proposed amendments to section 346-183, HRS, make provision for receipt of federal funds. Furthermore, the proposed amendments to sections 346-182 and 346-183 revise the reporting requirement to ease administrative burden.

Section 5 of Article VII of the Hawaii State Constitution requires that "no public money shall be expended except pursuant to appropriations made by law." The proposed amendments to subsections 346-182(a) and 346-183(c), HRS, are necessary to comply with the constitutional provision.

Impact on the public: The public will benefit from DHS's ability to implement rules and execute a grant program for child care facilities without the need for additional legislation when additional appropriations, private funds, or donations become available. The grants program will also support the community's capacity to deliver human services and may lead to improved and innovative best practices.

The continuation of the child care grant program will improve the ability of child care facilities to continue to remain open

and be able to compensate their staff, even if the program's operations are impacted by COVID-19 cases, especially as children under five remain ineligible for vaccination against COVID-19. Supporting child care facilities' ability to maintain access to the safe and qualified child care will support parents' and care givers' ability to pursue or maintain educational activities and employment, and be assured that their children are in a safe and nurturing child care setting.

Impact on the department and other agencies:
The proposed amendments will not immediately impact the department or other agencies. Depending upon receipt of additional funds, the department may require additional administrative, program, and IT staff to operationalize and oversee future grant programs.

New grant making authority may require additional resources from the Department of the Attorney General to support administrative rule making.

GENERAL FUND:	None.
OTHER FUNDS:	None.
PPBS PROGRAM DESIGNATION:	HMS 904, HMS 302.
OTHER AFFECTED AGENCIES:	The Department of the Attorney General.
EFFECTIVE DATE:	Upon approval.