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# A BILL FOR AN ACT

RELATING TO EARLY CHILD CARE.

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

1           SECTION 1. The legislature finds that a strong child care  
2 and early education workforce is necessary to support Hawaii's  
3 children, working families, and communities. The legislature  
4 further finds that the demand for quality child care and early  
5 education far exceeds the number of qualified child care and  
6 early education professionals currently available in the State.  
7 The legislature also finds that efforts to maintain and expand  
8 quality, affordable child care and early education programs are  
9 hindered by a lack of qualified child care and early education  
10 professionals.

11           Accordingly, the purpose of this Act is to:

- 12           (1) Establish a child care provider subsidy and bonus  
13                 program to adequately compensate and retain the  
14                 existing early child care workforce in all licensed  
15                 and registered child care provider settings; and  
16           (2) Appropriate funds for the child care provider subsidy  
17                 and bonus program.



1 SECTION 2. (a) The department shall establish and  
2 implement a child care provider subsidy and bonus program that  
3 allows:

4 (1) Infant and toddler child care centers and group child  
5 care centers to apply for and receive a subsidy to  
6 increase the pay of a child care center's child care  
7 workers to a rate of not less than \$16.00 per hour; or

8 (2) Family child care homes to apply for and receive a  
9 bonus of at least \$6,000 per year.

10 (b) The department shall develop standards and  
11 qualifications for application to and participation in the  
12 program in conformity with this Act.

13 (c) Subject to subsection (d), the department shall allow  
14 any licensed or registered child care provider to submit to the  
15 department an application for a subsidy or bonus pursuant to the  
16 program. Each application shall include the following:

17 (1) The name of the applicant;

18 (2) The total amount of the subsidy or bonus requested and  
19 a calculation of that amount;

20 (3) The amount of the subsidy that each covered child care  
21 worker will receive, or the amount of the bonus that



- 1           the family child care home will receive, if the  
2           application is approved;
- 3           (4) The name of each covered child care worker;
- 4           (5) The age range of the children for which each covered  
5           child care worker or family child care home provides  
6           care;
- 7           (6) Proof that each covered child care worker or family  
8           child care home:
- 9           (A) Has United States citizenship or permanent United  
10           States resident alien status and is a resident of  
11           the State at the time of application;
- 12           (B) Is a licensed or registered child care provider,  
13           or is an exempt provider approved by the  
14           department;
- 15           (C) Provides child care at the time of application;  
16           and
- 17           (D) Complies with all other federal, state, or county  
18           statutes, rules, or ordinances necessary to  
19           conduct the activities or provide the services  
20           for which a subsidy or bonus is awarded;



- 1           (7) Proof that each applicant and covered child care  
2           worker:
  - 3           (A) Complies with all applicable federal and state  
4           laws prohibiting discrimination against a person  
5           on the basis of race, color, national origin,  
6           religion, creed, sex, age, sexual orientation, or  
7           disability; and
  - 8           (B) Shall not use state funds for entertainment or  
9           lobbying activities;
- 10          (8) An authorization granting the department, legislative  
11          committees and their staff, and the auditor full  
12          access to the applicant's records, reports, files, and  
13          other related documents and information for the  
14          purposes of monitoring, measuring the effectiveness  
15          of, and ensuring the proper expenditure of the subsidy  
16          or bonus;
- 17          (9) Satisfaction of all standards that may be required by  
18          the source of funding; and
- 19          (10) Satisfaction of all standards prescribed in rules  
20          adopted by the department to implement the program.



1 (d) The following shall not receive a subsidy or bonus  
2 pursuant to the program:

3 (1) Any entity that is part of, owned or operated by, or  
4 owned and operated as:

5 (A) A nonpublic entity that provides educational  
6 services for any grades from kindergarten through  
7 grade twelve;

8 (B) A nonpublic entity that provides post-secondary  
9 education; or

10 (C) A nonpublic entity that provides pre-kindergarten  
11 level services that are provided by an entity  
12 that holds itself out to the public as a school  
13 or educational institution, or that are  
14 identified by the entity as educational services  
15 rather than solely as child care services;

16 (2) The department of education or an entity of the  
17 department of education; and

18 (3) Any public charter school.

19 (e) Applications for a subsidy or bonus pursuant to the  
20 program shall be submitted to the department on a form provided  
21 by the department and shall at a minimum contain the information



1 required by subsection (c). The department shall review each  
2 application to determine whether each covered child care worker  
3 or family child care home is eligible to receive subsidy or  
4 bonus moneys and shall make a final decision on each  
5 application. The department shall inform each applicant of the  
6 disposition of the applicant's application. The department  
7 shall adopt rules to establish an appeals process for any denial  
8 or partial denial of an application.

9 (f) The department shall not release public moneys  
10 approved for a subsidy or bonus under this Act unless a contract  
11 is entered into between the department and the applicant. The  
12 department shall develop and determine, in consultation with and  
13 subject to review and approval of the department of the attorney  
14 general, the specific contract form to be used.

15 (g) Appropriations for subsidies and bonuses made under  
16 this Act shall be subject to the allotment system generally  
17 applicable to all appropriations made by the legislature.

18 (h) Each department contract executed pursuant to this Act  
19 shall be monitored by the department to ensure compliance with  
20 this Act and shall be evaluated annually to determine whether



1 the subsidy or bonus attained the intended results in the manner  
2 contemplated.

3 (i) Any applicant who withholds or omits any material fact  
4 or deliberately misrepresents facts to the department shall be  
5 in violation of this Act and, in addition to other penalties  
6 provided by law, any applicant found to have violated this Act  
7 or the terms of any contract executed pursuant to this Act shall  
8 be prohibited from applying for any department subsidies or  
9 bonuses for a period of five years.

10 (j) The department may convene and consult community  
11 members to establish best practices, policies, or procedures,  
12 including but not limited to the development of a salary  
13 schedule, educational requirements, and other matters that would  
14 assist in the implementation of the program.

15 (k) The department shall adopt rules without regard to  
16 chapter 91, Hawaii Revised Statutes, to administer the program.

17 (l) For the purposes of this Act:

18 "Applicant" means:

19 (1) An infant and toddler child care center or a group  
20 child care center licensed by the department that



1 submits an application for a subsidy pursuant to the  
2 program; or

3 (2) A family child care home registered by the department  
4 that submits an application for a bonus pursuant to  
5 the program.

6 "Bonus" means an award of state funds to a specified family  
7 child care home applicant to support the activities of the  
8 family child care home applicant and permit the community to  
9 benefit from those activities.

10 "Child care worker" means a lead caregiver, caregiver,  
11 teacher, assistant teacher, or child care aide employed by an  
12 infant and toddler child care center or a group child care  
13 center.

14 "Covered child care worker" means a child care worker  
15 employed by an infant and toddler child care center or group  
16 child care center applicant whom the applicant proposes will  
17 receive all or a portion of the requested subsidy if the  
18 applicant's application is approved.

19 "Department" means the department of human services.



1 "Family child care home" means a family child care home as  
2 defined under section 346-151, Hawaii Revised Statutes, that is  
3 registered by the department.

4 "Group child care center" means a group child care center  
5 as defined under section 346-151, Hawaii Revised Statutes, that  
6 is licensed by the department.

7 "Infant" means a child who is six weeks to twelve months of  
8 age.

9 "Infant and toddler child care center" means a facility  
10 licensed by the department, other than a private home, at which  
11 care is provided for infants or toddlers, or both.

12 "Licensed or registered child care provider" means a family  
13 child care home, group child care center, or infant and toddler  
14 child care center licensed or registered by the department.

15 "Program" means the child care provider subsidy and bonus  
16 program established pursuant to subsection (a).

17 "Subsidy" means an award of state funds to a specified  
18 infant and toddler child care center or a group child care  
19 center applicant to support the activities of the applicant and  
20 permit the community to benefit from those activities.



1 "Toddler" means a child who is twelve to thirty-six months  
2 of age.

3 SECTION 3. The department of human services shall submit  
4 annual reports on the development and implementation of the  
5 child care provider subsidy and bonus program, including impacts  
6 to infant and toddler child care centers, group child care  
7 centers, family child care homes, and child care workers, and  
8 any proposed legislation, to the legislature no later than  
9 twenty days prior to the convening of each regular session.

10 SECTION 4. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$ or so  
12 much thereof as may be necessary for fiscal year 2024-2025 for  
13 the child care provider subsidy and bonus program established by  
14 section 2 of this Act.

15 The sum appropriated shall be expended by the department of  
16 human services for the purposes of this Act.

17 SECTION 5. In accordance with section 9 of article VII of  
18 the Hawaii State Constitution and sections 37-91 and 37-93,  
19 Hawaii Revised Statutes, the legislature has determined that the  
20 appropriations contained in H.B. No. , will cause the state  
21 general fund expenditure ceiling for fiscal year 2024-2025 to be



1 exceeded by \$                    or                    per cent. In addition, the  
 2 appropriation contained in this Act will cause the general fund  
 3 expenditure ceiling for fiscal year 2024-2025 to be further  
 4 exceeded by \$                    or                    per cent. The combined total  
 5 amount of general fund appropriations contained in only these  
 6 two Acts will cause the state general fund expenditure ceiling  
 7 for fiscal year 2024-2025 to be exceeded by  
 8 \$                    or                    per cent. The reasons for exceeding the  
 9 general fund expenditure ceiling are that:

- 10            (1) The appropriation made in this Act is necessary to
- 11                    serve the public interest; and
- 12            (2) The appropriation made in this Act meets the needs
- 13                    addressed by this Act.

14            SECTION 6. This Act shall take effect on July 1, 2024.

15

INTRODUCED BY:   
 JAN 19 2024



# H.B. NO. 1964

**Report Title:**

DHS; Child Care Worker Subsidy and Bonus Program; Infant and Toddler Child Care Centers; Group Child Care Centers; Family Child Care Homes; Appropriation; Expenditure Ceiling

**Description:**

Requires the Department of Human Services to establish and implement a child care provider subsidy and bonus program to provide subsidies to retain the existing child care workforce in licensed infant and toddler child care centers and group child care centers and bonuses to registered family child care homes. Requires annual reports to the legislature. Appropriates funds.

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

