

---

---

# 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. Chapter 346, Hawaii Revised Statutes, is  
2 amended by adding two new sections to part VIII, subpart A, to  
3 be appropriately designated and to read as follows:

4 "§346- Child care provider subsidy and bonus program;  
5 established. (a) The department shall establish and implement  
6 a child care provider subsidy and bonus program that allows:

7 (1) Infant and toddler child care centers, group child  
8 care centers, and group child care homes to apply for  
9 and receive a subsidy to increase the pay of a child  
10 care center's child care workers to a rate of not less  
11 than \$ per hour; or

12 (2) Family child care homes to apply for and receive a  
13 bonus of at least \$ per year.

14 (b) The department shall develop standards and  
15 qualifications for application to and participation in the  
16 program in conformity with this section.

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

21 (1) The name of the applicant;



- 1        (2) The total amount of the subsidy or bonus requested and  
2            a calculation of that amount;
- 3        (3) The amount of the subsidy that each covered child care  
4            worker will receive, or the amount of the bonus that  
5            the family child care home will receive, if the  
6            application is approved;
- 7        (4) The name of each covered child care worker and proof  
8            that each covered child care worker is an employee of  
9            a licensed or a registered child care provider;
- 10       (5) The age range of the children for which each covered  
11           child care worker or family child care home provides  
12           care;
- 13       (6) Proof that each covered child care worker or family  
14           child care home:
  - 15           (A) Provides child care at the time of application;  
16                and
  - 17           (B) Complies with all other federal, state, or county  
18                statutes, rules, regulations, or ordinances  
19                necessary to conduct the activities or provide  
20                the services for which a subsidy or bonus is  
21                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 or any other unauthorized
- 10       uses prohibited by law or as determined by the
- 11       department;
- 12       (8) An authorization granting the department, legislative
- 13       committees and their staff, and the auditor full
- 14       access to the applicant's records, reports, files, and
- 15       other related documents and information for the
- 16       purposes of monitoring, measuring the effectiveness
- 17       of, and ensuring the proper expenditure of the subsidy
- 18       or bonus;
- 19       (9) Satisfaction of all standards that may be required by
- 20       the source of funding; and



1        (10) Satisfaction of all standards prescribed in rules  
2                    adopted by the department to implement the program.

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

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

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

10                   (B) A nonpublic entity that provides post-secondary  
11                                    education; or

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

18        (2) The department of education or an entity of the  
19                    department of education;

20        (3) Any public charter school; and



1       (4) The university of Hawaii or any entity of the  
2           university of Hawaii.

3       (e) Applications for a subsidy or bonus pursuant to the  
4 program shall be submitted to the department on a form provided  
5 by the department and shall at a minimum contain the information  
6 required by subsection (c). The department or its designee  
7 shall review each application to determine whether each covered  
8 child care worker or family child care home is eligible to  
9 receive a subsidy or bonus moneys and shall make a final  
10 decision on each application. The department shall inform each  
11 applicant of the disposition of the applicant's application.  
12 The department shall adopt rules to establish an appeals process  
13 for any denial or partial denial of an application.

14       (f) The department shall not release public moneys  
15 approved for a subsidy or bonus under this section unless a  
16 contract is entered into between the department and the  
17 applicant. The department shall develop and determine, in  
18 consultation with and subject to review and approval of the  
19 department of the attorney general, the specific contract form  
20 to be used.



1       (g) Appropriations for subsidies and bonuses made under  
2 this section shall be subject to the allotment system generally  
3 applicable to all appropriations made by the legislature.

4       (h) Each department contract executed pursuant to this  
5 section shall be monitored by the department to ensure  
6 compliance with this section and shall be evaluated annually to  
7 determine whether the subsidy or bonus attained the intended  
8 results in the manner contemplated.

9       (i) Any applicant who withholds or omits any material fact  
10 or deliberately misrepresents facts to the department shall be  
11 in violation of this section and, in addition to other penalties  
12 provided by law, any applicant found to have violated this  
13 section or the terms of any contract executed pursuant to this  
14 section shall be prohibited from applying for any department  
15 subsidies or bonuses for a period of five years.

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



1        (k) The department shall adopt rules without regard to  
2 chapter 91 to administer the program.

3        (1) For the purposes of this section:

4        "Applicant" means:

5        (1) An infant and toddler child care center, a group child  
6 care center, or a group child care home licensed by  
7 the department that submits an application for a  
8 subsidy pursuant to the program; or

9        (2) A family child care home registered by the department  
10 that submits an application for a bonus pursuant to  
11 the program.

12        "Bonus" means an award of state funds to a specified family  
13 child care home applicant to support the activities of the  
14 family child care home applicant and permit the community to  
15 benefit from those activities.

16        "Child care worker" means a lead caregiver, caregiver,  
17 teacher, assistant teacher, or child care aide employed by an  
18 infant and toddler child care center, a group child care center,  
19 or a group child care home.

20        "Covered child care worker" means a child care worker  
21 employed by an infant and toddler child care center, a group



1 child care center, or a group child care home applicant whom the  
2 applicant proposes will receive all or a portion of the  
3 requested subsidy if the applicant's application is approved.

4 "Family child care home" means a family child care home as  
5 defined under section 346-151 that is registered by the  
6 department.

7 "Group child care center" means a group child care center  
8 as defined under section 346-151 that is licensed by the  
9 department.

10 "Group child care home" means a facility, which may be an  
11 extended or modified private home, at which care is provided for  
12 seven to twelve children.

13 "Infant" means a child who is six weeks to twelve months of  
14 age.

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

18 "Licensed or registered child care provider" means a family  
19 child care home, group child care center, group child care home,  
20 or infant and toddler child care center licensed or registered  
21 by the department.





1 much thereof as may be necessary for fiscal year 2024-2025 to be  
2 deposited into the child care grant program special fund.

3 SECTION 4. There is appropriated out of the child care  
4 grant program special fund the sum of \$ or so much  
5 thereof as may be necessary for fiscal year 2024-2025 for the  
6 child care provider subsidy and bonus program established by  
7 section 2 of this Act.

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

10 SECTION 5. 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  
13 for full-time equivalent ( FTE) program specialist to  
14 carry out the implementation and monitoring of the child care  
15 provider subsidy and bonus program established by section 2 of  
16 this Act.

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

19 SECTION 6. In accordance with section 9 of article VII of  
20 the Hawaii State Constitution and sections 37-91 and 37-93,  
21 Hawaii Revised Statutes, the legislature has determined that the



1 appropriations contained in H.B. No. , will cause the state  
2 general fund expenditure ceiling for fiscal year 2024-2025 to be  
3 exceeded by \$ or per cent. In addition, the  
4 appropriations contained in this Act will cause the general fund  
5 expenditure ceiling for fiscal year 2024-2025 to be further  
6 exceeded by \$ or per cent. The combined total  
7 amount of general fund appropriations contained in only these  
8 two Acts will cause the state general fund expenditure ceiling  
9 for fiscal year 2024-2025 to be exceeded by  
10 \$ or per cent. The reasons for exceeding the  
11 general fund expenditure ceiling are that:

12 (1) The appropriations made in this Act are necessary to  
13 serve the public interest; and

14 (2) The appropriations made in this Act meet the needs  
15 addressed by this Act.

16 SECTION 7. This Act shall take effect on July 1, 3000.



**Report Title:**

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

**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, group child care centers, and group child care homes and bonuses to registered family child care homes. Requires annual reports to the Legislature. Makes appropriations. Declares that the general fund expenditure ceiling is exceeded. Takes effect 7/1/3000. (SD2)

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

