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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, group child  
5 care centers, and group child care homes to apply for  
6 and receive a subsidy to increase the pay of a child  
7 care center's child care workers to a rate of not less  
8 than \$16.00 per hour; or

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

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

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

18 (1) The name of the applicant;

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



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



- 1 (A) Complies with all applicable federal and state
- 2 laws prohibiting discrimination against a person
- 3 on the basis of race, color, national origin,
- 4 religion, creed, sex, age, sexual orientation, or
- 5 disability; and
- 6 (B) Shall not use state funds for entertainment or
- 7 lobbying activities or any other unauthorized
- 8 uses prohibited by law or as determined by the
- 9 department;
- 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;

18 (3) Any public charter school; and

19 (4) The university of Hawaii or an entity of the  
20 university of Hawaii.



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

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

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



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

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

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

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

20           (l) For the purposes of this Act:

21           "Applicant" means:



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

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

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

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

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

21 "Department" means the department of human services.



1 "Family child care home" has the same meaning as defined in  
2 section 346-151, Hawaii Revised Statutes, that is registered by  
3 the department.

4 "Group child care center" has the same meaning as defined  
5 in section 346-151, Hawaii Revised Statutes, that is licensed by  
6 the department.

7 "Group child care home" means a facility, including an  
8 extended or modified private home, at which care is provided for  
9 seven to twelve children.

10 "Infant" means a child who is six weeks to twelve months of  
11 age.

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

15 "Licensed or registered child care provider" means a family  
16 child care home, group child care center, group child care home,  
17 or infant and toddler child care center licensed or registered  
18 by the department.

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



1 "Subsidy" means an award of state funds to a specified  
2 infant and toddler child care center, group child care center,  
3 or group child care home applicant to support the activities of  
4 the applicant and permit the community to benefit from those  
5 activities.

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

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

16 SECTION 4. In accordance with section 9 of article VII of  
17 the Hawaii State Constitution and sections 37-91 and 37-93,  
18 Hawaii Revised Statutes, the legislature has determined that the  
19 appropriations contained in Act 164, Regular Session of 2023,  
20 and this Act will cause the state general fund expenditure  
21 ceiling for fiscal year 2024-2025 to be exceeded by



1 \$                    or                    per cent. This current declaration takes  
2 into account general fund appropriations authorized for fiscal  
3 year 2024-2025 in Act 164, Regular Session of 2023, and this Act  
4 only. The reasons for exceeding the general fund expenditure  
5 ceiling are that:

- 6            (1) The appropriation made in this Act is necessary to  
7                    serve the public interest; and
- 8            (2) The appropriation made in this Act meets the needs  
9                    addressed by 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 to be  
13 deposited into the child care grant program special fund for the  
14 child care provider subsidy and bonus program established by  
15 section 2 of this Act.

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



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

3           SECTION 7. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$100,000 or so much  
5 thereof as may be necessary for fiscal year 2024-2025 for the  
6 establishment of one full-time equivalent (1.0 FTE) program  
7 specialist position to carry out the implementation and  
8 monitoring of the child care provider subsidy and bonus program  
9 established by section 2 of this Act.

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

12           SECTION 8. This Act shall take effect on December 31,  
13 2050.



**Report Title:**

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

**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. Declares that the general fund expenditure ceiling is exceeded. Makes appropriations. Takes effect 12/31/2050. (SD1)

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

