

---

# A BILL FOR AN ACT

RELATING TO CHILD CARE.

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

1           SECTION 1. The legislature finds that in the first quarter  
2 of fiscal year 2022-2023, more than fifteen thousand families  
3 with children under the age of thirteen received subsidies from  
4 the child care connection Hawaii program to help them afford  
5 child care services. The legislature further finds that child  
6 care center providers can be faced with disruptions in services  
7 and possible closure when their operating costs are funded by  
8 tuition fees because their revenues depend upon ever-changing  
9 enrollment figures rather than a stable source of funding.

10           Accordingly, the purpose of this Act is to require the  
11 department of human services to establish and implement an early  
12 learning services contracts program to make available a  
13 designated number of seats at licensed infant and toddler child  
14 care centers and family child care centers for families referred  
15 by the department at a negotiated rate and schedule.



1 SECTION 2. (a) The department of human services shall  
2 establish and implement an early learning services contract  
3 program no later than July 1, 2026.

4 (b) The department of human services shall contract  
5 directly with licensed infant and toddler child care centers  
6 and, through an intermediary, with family child care centers  
7 that serve:

- 8 (1) Children six weeks to five years of age; and
- 9 (2) Families who are eligible for a federally funded child  
10 care subsidy through the department;

11 provided that a child care center shall not be eligible for a  
12 contract if the center is part of, owned by, or operated by a  
13 private educational institution and the awarding of the contract  
14 would violate article X, section 1, of the Hawaii State  
15 Constitution.

16 (c) The program shall meet the following requirements:

- 17 (1) The program shall provide contracts for at least one  
18 licensed or regulated child care program per county;  
19 and

20 (2) Contracts with providers shall be a minimum of twelve  
21 months and may be extended.



1 (d) The department of human services shall monitor seat  
2 utilization and may adjust the number of contracted seats based  
3 on enrollment trends and provider performance; provided that:

4 (1) Providers with consistently low utilization of  
5 contracted seats may be subject to contract  
6 modification or termination; and

7 (2) The department may contract with a service provider in  
8 accordance with chapter 103F, Hawaii Revised Statutes,  
9 to operate the program.

10 SECTION 3. The department of human services shall submit  
11 annual reports on the development and implementation of the  
12 early learning services contracts program, including impacts on  
13 child care provider stability and family satisfaction, and any  
14 proposed legislation, to the legislature no later than twenty  
15 days prior to the convening of the regular sessions of 2026,  
16 2027, and 2028.

17 SECTION 4. This Act shall take effect on December 31,  
18 2050.



**Report Title:**

DHS; Early Learning Services Contracts Program; Child Care Providers

**Description:**

Requires the Department of Human Services to establish and implement an Early Learning Services Contracts Program to make available a designated number of seats at licensed infant and toddler child care centers and family child care centers for families referred by the Department at a negotiated rate and schedule. Requires the Department of Human Services to submit reports to the Legislature. Effective 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.*

