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# A BILL FOR AN ACT

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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 who are  
15 eligible for a federally funded child care subsidy through the  
16 department.



1       SECTION 2. (a) The department of human services shall  
2       establish and implement an early learning services contracts  
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 may provide contracts for at least one  
18       full classroom at one licensed infant and toddler  
19       child care center and one licensed group child care  
20       center per county; and



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

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

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

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

(e) The program shall cease to exist on June 30, 2028.

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



1           SECTION 4. This Act shall take effect on December 31,  
2 2050.



**Report Title:**

DHS; Early Learning Services Contracts Program; Child Care Providers; Infant and Toddler Child Care Centers; Group Child Care Centers

**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 group child care centers that meet certain criteria. Requires the Department of Human Services to submit reports to the Legislature. Sunsets the pilot program on 6/30/2028. Effective 12/31/2050. (HD1)

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

