

STAND. COM. REP. NO. **2224**

Honolulu, Hawaii

FEB 15 2012

RE: S.B. No. 2803
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred S.B. No. 2803 entitled:

"A BILL FOR AN ACT RELATING TO CONTRACT PROPOSALS FOR CHILD CARE,"

begs leave to report as follows:

The purpose and intent of this measure is to allow the Department of Human Services and the Department of Health to accept contract proposals from organizations that are not yet licensed to operate a child care program at a facility specified in the contract proposal.

Your Committee received testimony in support of this measure from the Department of Human Services and the State Procurement Office.

Your Committee finds that under the child care program, a contract agreement is not finalized until after the awardee meets all of the licensing requirements specified in the Department of Human Services' administrative rules. This process is necessary because the requests for child care services are tied to a site requested by the Department. Your Committee also finds that requiring a license before an application can be submitted for a child care program limits the applicants who are allowed to submit a proposal to only those entities that are currently licensed to operate a child care program and thereby restricts new providers from entering the child care business.



According to testimony from the State Procurement Office, section 103F-401.5, Hawaii Revised Statutes, restricts competition that may affect not only the child care program but other programs as well.

Your Committee has therefore amended this measure by:

- (1) Amending section 103F-401.5, Hawaii Revised Statutes, to prohibit the performance of a contract rather than acceptance of a contract proposal, by any applicant lacking the necessary license;
- (2) Adding language that requires contract proposals submitted under chapter 103F, Hawaii Revised Statutes, to include the all-inclusive cost to the State and prohibits an award or contract from including payment for any costs not included in the proposal; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2803, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2803, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,

Suzanne Chun Oakland

SUZANNE CHUN OAKLAND, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* <i>SB 2803</i>	Committee Referral: <i>HMS, CPN</i>	Date: <i>2-9-12</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
GREEN, M.D., Josh	✓			
SLOM, Sam				✓
TOTAL	<i>3</i>	<i>0</i>	<i>0</i>	<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>[Signature]</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes