



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

March 29, 2012

MEMORANDUM

TO: The Honorable David Y. Ige, Chair
Senate Committee on Ways and Means

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 2540, H.D. 2, S.D. 1 - RELATING TO FEES FOR CHILD CARE LICENSING AND REGISTRATION**

Hearing: Thursday, March 29, 2012; 9:00 a.m.
Conference Room 211, State Capitol

PURPOSE: The purpose of H.B. 2540, H. D. 2, S.D. 1, is to allow the Department of Human Services (DHS) to charge reasonable fees to obtain a child care license or certificate of registration and establishes a special fund.

DEPARTMENT'S POSITION: The Department of Human Services strongly supports this Administration bill. This bill would allow the Department to charge a moderate fee to offset some of the administrative costs associated with inspections and issuances of licenses and certificates of registration to individuals or business entities who want to care for children.

The Department of Human Services is authorized to license group child care homes and group child care centers and issue certificates of registration for family child care homes (family child care homes are providers who care for three or more children who are unrelated to themselves in their private residence and does not include relative care providers). There are administrative costs associated with the licensing and

certification activities, including site visits, observation of providers with children, inspections to ensure compliance with administrative rules to ensure the health and safety of the child care operations, and the assessment of the findings.

As with other business entities that are charged licensing and certification fees by other state agencies to conduct a business, the Department of Human Services is proposing to charge a reasonable fee to private business entities who want to operate a child care facility to offset some of the administrative costs associated with issuing licenses and certificates of registration to individuals or business entities who want to care for children. The fees charged will further ensure the safety of children in child care homes and child care centers by giving the Department resources to maintain the licensing standards.

Establishing a child care licensing and certificate of registration special fund into which the fees will be deposited will provide the Department with resources to ensure the health and safety of children.

DHS will not be charging child care providers who are currently exempt from licensing per Section 346-152, Hawaii Revised Statutes. Providers who do not need to be licensed include a person caring for children related to the caregiver by blood, marriage, or adoption; a person, group of persons, or facility caring for a child less than six hours a week; a person who enters a home in a child caring capacity and only cares for children who are of that household; and a person caring for two or fewer children unrelated to the caregiver by blood, marriage, or adoption.

The Department would be required to promulgate administrative rules that would specify the amounts charged for the license and certificate of registration.

DHS requests that the effective date of this bill be changed to upon approval.

Thank you for the opportunity to provide testimony on this bill.