

# HB 2540, HD2

Measure Title: RELATING TO FEES FOR CHILD CARE LICENSING AND REGISTRATION.

Report Title: Child Care; License or Certificate of Registration; Fees

Description: Allows the Department of Human Services to charge reasonable fees to obtain a child care license or certificate of registration and establishes a special fund. Effective July 1, 2030. (HB2540 HD2)

Companion: SB2802

Package: Gov

Current Referral: HMS, WAM

Introducer(s): SAY (Introduced by request of another party)

NEIL ABERCROMBIE  
GOVERNOR



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March 13, 2012

**MEMORANDUM**

TO: The Honorable Suzanne Chun Oakland, Chair  
Senate Committee on Human Services

FROM: Patricia McManaman, Director

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

Hearing: Tuesday, March 13, 2012; 1:15 p.m.  
Conference Room 016, State Capitol

**PURPOSE:** The purpose of H.B. 2540, H. D. 2 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 would offer that the additional language be inserted into Section 1 of this bill in subsection (b) as follows:

“(b) Moneys in the child care licensing and registration special fund shall be used for the following purposes:

- 1) The costs of administering child care licensing and registration; ~~and~~
- 2) Furthering the provision of quality child care services; and
- (3) Any other purpose deemed necessary by the department 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.

There are no substantive differences between H.B. 2540, H.D.2 and its companion, S.B. 2802 except for the implementation date.

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