

NEIL ABERCROMBIE
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March 19, 2012

MEMORANDUM

TO: The Honorable John M. Mizuno, Chair
House Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2803, S.D. 2 - RELATING TO CONTRACT PROPOSALS FOR
CHILD CARE**

Hearing: Monday, March 19, 2012; 9:00 a.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of S.B. 2803, S.D. 2 is to allow an exception to allow for proposals to be received from organizations that are not yet licensed to operate a child care program at a facility specified in the request for proposals.

DEPARTMENT'S POSITION: The Department of Human Services strongly supports this Administration bill.

Section 103F-401.5, Hawaii Revised Statutes, requires that contract proposals cannot be accepted from any applicant who lacks a license necessary to conduct the business being sought by the request for proposals.

For the child care program, a license is issued to an applicant only after the awarding of the contract. The 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. The request for proposal is for

the specific site where the child care program will be operating. The applicant then is given a specific time frame to meet all of the licensing requirements before the contract is finalized.

Requiring a license before an application can be submitted for a child care program will limit the applicants who are allowed to submit a proposal to only those entities that are currently licensed to operate a child care program. No new providers will be able to enter the child care business.

The Child Care Program issues Requests For Proposals (RFP) to allow an organization to operate a child care program at specific locations. Applicants responding to the RFP would include information in their proposal that demonstrates their ability to operate a licensed child care center and a timeline to show that they can obtain a child care license within a reasonable timeframe prior to the start of the service. Child care licenses are unlike other types of licenses as it allows for a specific provider to operate a child care program at a specified location. The license that is issued to a child care provider is neither transferable to another location nor to another provider to operate at that same location.

The current language in Section 103F-401.5, Hawaii Revised Statutes, prohibits the competitive procurement of child care services at a location specified by the Department as the statute requires that the applicant who submits a proposal in response to an RFP of this type to already be licensed to provide the service at that location. The language proposed in the bill would allow the Department to continue to competitively procure child care services at locations specified by the Department.

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



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Rep. John Mizuno, Chair
Rep. Jo Jordan, Vice Chair
HOUSE COMMITTEE ON HUMAN SERVICES

From: Katherine Murphy, Executive Director
Hawaii Association for the Education of Young Children (HAEYC)

Date: **March 19, 2012**

Subject: **SB 2803 SD2, Relating to Childcare Contract Proposals**

The Hawaii Association for the Education of Young Children (HAEYC) offers this testimony in **opposition** to SB 2803 SD2. This measure prohibits the performance of a contract for childcare, pursuant to chapter 103F, Hawaii Revised Statutes, but permits acceptance of a contract proposal by an applicant lacking an appropriate license. We believe that requiring an applicant to have a license in order to submit a funding proposal helps to ensure the quality of available childcare services.

HAEYC will continue to be a positive contributor to the state's transition to a true, comprehensive public/private early learning system. Our volunteers and staff would be happy to provide you more information to facilitate your decision-making. Please contact us at 942-4708 or haeyc@hawaiihaeyc.org.

HAEYC represents nearly 1,000 members who are early childhood development and educational professionals across the state.

HAEYC's mission is to promote, support, and expand quality and professionalism in early childhood programs and services for Hawaii's children (0-8) and their families.

Katherine E. Murphy
Executive Director
HAEYC