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# A BILL FOR AN ACT

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 received child care connection Hawaii subsidies to help them  
4 afford care for children ages six weeks to thirteen years. The  
5 legislature further finds that child care providers can be  
6 disrupted and face possible closure when their operating costs  
7 are funded by tuition fees because their revenues depend upon  
8 ever-changing enrollment figures rather than a stable source of  
9 funding.

10           Accordingly, the purpose of this Act is to:

- 11           (1) Establish a child care classroom contracts pilot  
12           program to develop and implement procedures to  
13           subsidize child care classrooms in licensed infant and  
14           toddler or group child care settings; and  
15           (2) Appropriate funds for the child care classroom  
16           contracts pilot program.



1 SECTION 2. (a) The department of human services shall  
2 establish and implement a child care classroom contracts pilot  
3 program no later than January 1, 2025.

4 (b) The department of human services shall contract  
5 directly with licensed infant and toddler and group child care  
6 center providers that serve:

7 (1) Children three to five years of age; and

8 (2) Only families participating in the department's child  
9 care connection Hawaii program.

10 (c) The pilot program shall meet the following  
11 requirements:

12 (1) The pilot program shall provide contracts for at least  
13 one full classroom at one licensed infant and toddler  
14 center and two licensed group child care centers per  
15 county; and

16 (2) Contracts with child care providers shall last two  
17 years.

18 (d) The department of human services may contract with a  
19 service provider in accordance with chapter 103F, Hawaii Revised  
20 Statutes, to operate the child care classroom contracts pilot  
21 program.



1 (e) The pilot program shall cease to exist on June 30,  
2 2027.

3 SECTION 3. (a) The department of human services shall  
4 submit annual interim reports on the development and  
5 implementation of the child care classroom contracts pilot  
6 program, including impacts to child care provider stability,  
7 family satisfaction, and any proposed legislation, to the  
8 legislature no later than twenty days prior to the convening of  
9 the regular sessions of 2025, 2026, and 2027.

10 (b) The department of human services shall submit a final  
11 report on the child care classroom contracts pilot program,  
12 including impacts to child care provider stability, family  
13 satisfaction, and any proposed legislation, to the legislature  
14 no later than twenty days prior to the convening of the regular  
15 session of 2028.

16 SECTION 4. There is appropriated out of the general  
17 revenues of the State of Hawaii the sum of \$ or so  
18 much thereof as may be necessary for fiscal year 2024-2025 to  
19 establish one temporary program specialist position to conduct  
20 the procurement and contract monitoring necessary to carry out



1 the child care classroom contracts pilot program established by  
2 section 2 of this Act.

3 The sum appropriated shall be expended by the department of  
4 human services for the purposes of this Act.

5 SECTION 5. In accordance with section 9 of article VII of  
6 the Hawaii State Constitution and sections 37 91 and 37 93,  
7 Hawaii Revised Statutes, the legislature has determined that the  
8 appropriations contained in H.B. No. , will cause the state  
9 general fund expenditure ceiling for fiscal year 2024-2025 to be  
10 exceeded by \$ or per cent. In addition, the  
11 appropriation contained in this Act will cause the general fund  
12 expenditure ceiling for fiscal year 2024-2025 to be further  
13 exceeded by \$ or per cent. The combined total  
14 amount of general fund appropriations contained in only these  
15 two Acts will cause the state general fund expenditure ceiling  
16 for fiscal year 2024-2025 to be exceeded by  
17 \$ or per cent. The reasons for exceeding the  
18 general fund expenditure ceiling are that:

- 19 (1) The appropriation made in this Act is necessary to  
20 serve the public interest; and



# H.B. NO. 2535

1 (2) The appropriation made in this Act meets the needs  
2 addressed by this Act.

3 SECTION 6. This Act shall take effect on July 1, 2024.

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INTRODUCED BY: *Lionel Martin*

JAN 23 2024



# H.B. NO. 2535

**Report Title:**

Department of Human Services; Child Care Classroom Contracts Pilot Program; Report; Appropriation; Expenditure Ceiling

**Description:**

Establishes a child care classroom contracts pilot program to require the Department of Human Services to contract directly with child care in licensed infant and toddler and group child care centers that meet certain criteria. Requires reports to the Legislature. Appropriates funds for a position to support the pilot program. Sunsets the pilot program on 6/30/2027.

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

