

JOSH GREEN, M.D.
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KE KIA'ĀINA



RYAN I. YAMANE
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STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
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Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

February 2, 2025

TO: The Honorable Senator Angus L.K. McKelvey, Chair
Senate Committee on Government Operations

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 1616 – RELATING TO CARE CENTERS.**

Hearing: February 4, 2025, 3:05 p.m.
Conference Room 225 & Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the bill and provides comments. DHS agrees with the testimony of the Department of the Attorney General and defers to the Department of Health and the Department of Accounting and General Services. DHS respectfully requests that any appropriation not reduce or replace priorities identified in the executive budget.

PURPOSE: The purpose of this bill requires that new or newly renovated state buildings with a budget of \$5,000,000 or more include dedicated space for a child care center or an adult day care center.

DHS appreciates the proposal as having dedicated spaces for child care centers in new or renovated state buildings would gradually expand accessibility to child care across the State by increasing the number of group child care facilities. Notably, the costs to operate licensed group child care centers often exceed the tuition that providers set. With public facilities, child care providers can divert rent or lease costs to staff recruitment and retention efforts, higher staff wages and benefits, or lower tuition. New construction or renovation of state buildings

with space for child care centers may help to stem the decline in the number of licensed and registered family child care and center-based care providers that started before the COVID-19 pandemic.

If new space for child care becomes available, DHS will work with the child care center provider through the licensing process to ensure that the health and safety standards for the licensing of child care facilities per Hawaii Administrative Rules are met and maintained.

Regarding Section 2, which adds the new section to Chapter 346, Hawaii Revised Statutes (HRS), Part VIII, Child Care, DHS has oversight over child care and does not oversee construction or renovations. DHS also clarifies that Chapter 321, HRS, Part XXXIX, Services to Adults, is the chapter related to adult day care and that the Department of Health provides oversight over adult day care. Therefore, DHS agrees with the Department of the Attorney General's proposed amendments.

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



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:
S.B. NO. 1616, RELATING TO CARE CENTERS.

BEFORE THE:
SENATE COMMITTEE ON GOVERNMENT OPERATIONS

DATE: Tuesday, February 4, 2025 **TIME:** 3:05 p.m.

LOCATION: State Capitol, Room 225

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Erin L.S. Yamashiro, Deputy Attorney General

Chair McKelvey and Members of the Committee:

The Department of the Attorney General supports the intent of this bill and provides the following comments and proposed revisions.

The purpose of this bill is to require that any newly constructed or renovated state buildings with a budget of \$5 million or more include space for a child care center licensed by the Department of Human Services (DHS) or an adult day care center licensed by the DHS. We believe that this bill has the potential to expand the State's capacity to serve two vulnerable populations, young children and older adults in need of care.

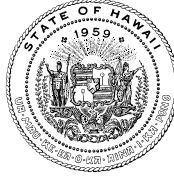
To clarify the intended statewide applicability, we suggest that the proposed new section be placed in chapter 107, Hawaii Revised Statutes (HRS), titled "Public Improvements," instead of chapter 346, HRS, titled "Department of Human Services." This change is advisable because the DHS is not the agency responsible for the construction or renovations of all state buildings, whereas chapter 107, HRS, applies to any state public improvements.

Additionally, we note that the Department of Health is the state agency that licenses adult day care centers, rather than DHS. We suggest amending the bill to replace "department", on page 3, line 6, with "department of health", and amend section 2, page 3, lines 6-7, as follows:

- (2) An adult day care center licensed by the department [~~by rule adopted under chapter 91.~~] of health."

We respectfully ask the Committee to pass this bill with the recommended amendments.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
KEITH A. REGAN, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE COMMITTEE ON

GOVERNMENT OPERATIONS

S. B. 1616

FEBRUARY 4, 2025, 3:05 PM
CONFERENCE ROOM 225 AND VIA VIDEOCONFERENCE, STATE CAPITOL

RELATING TO CARE CENTERS.

Chair McKelvey, Vice Chair Gabbard, and Members of the Committee, thank you for the opportunity to testify on S.B. 1616.

The Department of Accounting and General Services (DAGS) offers **comments** for S.B. 1616, which requires that new and newly renovated state buildings with a budget of \$5,000,000 or more include dedicated space for a child care center or an adult day care center.

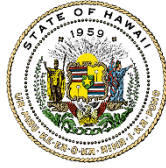
DAGS realizes the importance of care facilities and is cognizant of both the high cost and lack of access to quality care centers for Hawaii residents. Having care facilities on State property may benefit State employees and may have the potential to attract candidates to State employment.

As providing care facilities is not the primary mission of DAGS, we will need to work with other State agencies to better understand the philosophy, program parameters, and regulatory

requirements before identifying and selecting physical locations. Considerations and criteria from subject matter experts will need to be incorporated into the decision-making process to select the best sites possible and ensure the best practices for the health, safety, and welfare of the children and/or seniors being cared for at these facilities. Operating a care facility within a state building that was not designed for such a purpose must also consider the primary governmental business activity occurring there and whether the environment will be conducive to having a care facility on the premises.

Based on our preliminary analysis, a feasibility study should be conducted to determine the best approach and path forward. We estimate the study to cost approximately \$500,000.00 and we strongly recommend conducting a more formal analysis before proceeding with the establishment of care facilities as proposed in this measure. DAGS looks forward to working with stakeholders to determine the agency best suited to lead this program, and we recommend starting with a pilot program to address the unmet need for care facilities in the State and to identify the most optimum locations.

Thank you for this opportunity to provide comments on this proposed measure.



STATE OF HAWAII

Executive Office on Early Learning

Ke'ena Ho'okele Ho'ona'auao Pae Kamali'i o Hawai'i Moku'aina
2759 South King Street, Room C6
HONOLULU, HAWAII 96826

TO: Senator Angus L.K. McKelvey, Chair
Senator Mike Gabbard, Vice Chair
Senate Committee on Government Operations

FROM: Yuuko Arikawa-Cross, Director
Executive Office on Early Learning

SUBJECT: Testimony on S.B. No. 1616 – RELATING TO CARE CENTERS.
Committee: GVO
Date: Tuesday, February 4, 2025
Time: 3:05 p.m.
Location: Conference Room 225

Executive Office on Early Learning's Position: **COMMENTS**

The Executive Office on Early Learning (EOEL) supports the intent of S.B. No. 1616, which requires new buildings and major renovation projects with a budget of \$5,000,000 or more to include a space for a child care center, an adult day care center, or both. We defer to the Department of Accounting and General Services (DAGS), the Executive Office on Aging (EOA), and the Department of Human Services (DHS) regarding the feasibility and cost of implementation and offer the following comments.

EOEL supports the concept of expanding the number of early learning programs in state facilities. We were recently given the statutory authorization and directive to expand our support of these types of public-private partnerships beyond public school campuses to include other available public buildings (Act 152, SLH 2024). If this bill becomes law, we would be interested in collaborating with our partner agencies on this and offer our assistance and support.

A few benefits of this model are highlighted below.

- Helps the State meet the goal of universal access to preschool established by Act 46, SLH 2020;
- Opportunity to reduce overhead costs for community-based providers who operate on razor thin margins;

- Opportunity to increase the availability of community-based programs which have the flexibility to offer full-day programs and a year-round calendar that are essential for many working families;
- Opportunity to increase the availability of infant and toddler programs;
- Maximizing the use of available state facilities; and
- Recruitment and retention benefits for state employees who work nearby.

EOEL is already in discussions with the Hawaii State Public Library System about ways we can support contracting spaces for early learning at public libraries. We are also in the planning stages of similar initiatives with the School Facilities Authority (SFA) and Hawaii State Department of Education (HIDOE). These discussions, along with EOEL's experience contracting with early learning providers on HIDOE campuses inform the suggestions outlined below.

- Contracting - EOEL is willing to collaborate with partner agencies to contract with early learning providers if requested. To facilitate this possibility, we suggest the following:
 - Replace general references to "child care" with "early learning programs" throughout the bill (except when referencing specific DHS licensing categories). This will help ensure the language is consistent with section 302L-1.7, HRS; and
 - Depending on the number of projects that end up including early learning spaces, additional staff and funding may be required to adequately support the additional procurement and contract management responsibilities.
- Push back the effective date to allow departments to prepare for the implementation of the new requirements.
- Consider increasing the budget threshold over which the new requirement would apply.
- Give the department responsible for the design and construction of the project the flexibility to make exceptions for projects for which an early learning or adult care facility would not be appropriate or feasible. Some factors to consider for early learning facilities include, but are not limited to the following:
 - Primary use of the facility;
 - Department of Human Services licensing requirements;
 - Access to outdoor space;
 - Environmental risks;
 - Traffic impacts;
 - Access and parking for safe parent drop off and pick up;
 - Ceded lands status; and
 - Density of early learning programs and services in the vicinity.

We appreciate the Legislature's continued investment in our youngest keiki and their families. Thank you for the opportunity to share these comments.

LATE

SB-1616

Submitted on: 2/3/2025 8:47:33 PM

Testimony for GVO on 2/4/2025 3:05:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Comments	Written Testimony Only

Comments:

Comment: The concept would be convenient for the employees with child care and or adult care. However, the concern if the working environment is NOT A HIGHLY risk employer which may be prone to terriost and/or bomb threats and/or other threats. Otherwise, it's a great concept.