
A BILL FOR AN ACT

RELATING TO EARLY CHILD CARE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that a strong child care
2 and early education workforce is necessary to support Hawaii's
3 children, working families, and communities. The legislature
4 further finds that the demand for quality child care and early
5 education far exceeds the number of qualified child care and
6 early education professionals currently available in the State.
7 The legislature also finds that efforts to maintain and expand
8 quality, affordable child care and early education programs are
9 hindered by a lack of qualified child care and early education
10 professionals.

11 Accordingly, the purpose of this Act is to:

- 12 (1) Establish a child care provider subsidy and bonus
13 program to adequately compensate and retain the
14 existing early child care workforce in all licensed
15 and registered child care provider settings; and
16 (2) Appropriate funds for the child care provider subsidy
17 and bonus program.



1 SECTION 2. Chapter 346, Hawaii Revised Statutes, is
2 amended by adding two new sections to part VIII, subpart A, to
3 be appropriately designated and to read as follows:

4 "§346- Child care provider subsidy and bonus program;
5 established. (a) The department shall establish and implement
6 a child care provider subsidy and bonus program that allows:

7 (1) Infant and toddler child care centers, group child
8 care centers, and group child care homes to apply for
9 and receive a subsidy to increase the pay of a child
10 care center's child care workers to a rate of not less
11 than \$ per hour; or

12 (2) Family child care homes to apply for and receive a
13 bonus of at least \$ per year.

14 (b) The department shall develop standards and
15 qualifications for application to and participation in the
16 program in conformity with this section.

17 (c) Subject to subsection (d), the department shall allow
18 any licensed or registered child care provider to submit to the
19 department an application for a subsidy or bonus pursuant to the
20 program. Each application shall include the following:

21 (1) The name of the applicant;



- 1 (2) The total amount of the subsidy or bonus requested and
2 a calculation of that amount;
- 3 (3) The amount of the subsidy that each covered child care
4 worker will receive, or the amount of the bonus that
5 the family child care home will receive, if the
6 application is approved;
- 7 (4) The name of each covered child care worker and proof
8 that each covered child care worker is an employee of
9 a licensed or a registered child care provider;
- 10 (5) The age range of the children for which each covered
11 child care worker or family child care home provides
12 care;
- 13 (6) Proof that each covered child care worker or family
14 child care home:
- 15 (A) Provides child care at the time of application;
16 and
- 17 (B) Complies with all other federal, state, or county
18 statutes, rules, regulations, or ordinances
19 necessary to conduct the activities or provide
20 the services for which a subsidy or bonus is
21 awarded;



- 1 (7) Proof that each applicant and covered child care
- 2 worker:
- 3 (A) Complies with all applicable federal and state
- 4 laws prohibiting discrimination against a person
- 5 on the basis of race, color, national origin,
- 6 religion, creed, sex, age, sexual orientation, or
- 7 disability; and
- 8 (B) Shall not use state funds for entertainment or
- 9 lobbying activities or any other unauthorized
- 10 uses prohibited by law or as determined by the
- 11 department;
- 12 (8) An authorization granting the department, legislative
- 13 committees and their staff, and the auditor full
- 14 access to the applicant's records, reports, files, and
- 15 other related documents and information for the
- 16 purposes of monitoring, measuring the effectiveness
- 17 of, and ensuring the proper expenditure of the subsidy
- 18 or bonus;
- 19 (9) Satisfaction of all standards that may be required by
- 20 the source of funding; and



1 (10) Satisfaction of all standards prescribed in rules
2 adopted by the department to implement the program.

3 (d) The following shall not receive a subsidy or bonus
4 pursuant to the program:

5 (1) Any entity that is part of, owned or operated by, or
6 owned and operated as:

7 (A) A nonpublic entity that provides educational
8 services for any grades from kindergarten through
9 grade twelve;

10 (B) A nonpublic entity that provides post-secondary
11 education; or

12 (C) A nonpublic entity that provides pre-kindergarten
13 level services that are provided by an entity
14 that holds itself out to the public as a school
15 or educational institution, or that are
16 identified by the entity as educational services
17 rather than solely as child care services;

18 (2) The department of education or an entity of the
19 department of education;

20 (3) Any public charter school; and



1 (4) The university of Hawaii or any entity of the
2 university of Hawaii.

3 (e) Applications for a subsidy or bonus pursuant to the
4 program shall be submitted to the department on a form provided
5 by the department and shall at a minimum contain the information
6 required by subsection (c). The department or its designee
7 shall review each application to determine whether each covered
8 child care worker or family child care home is eligible to
9 receive a subsidy or bonus moneys and shall make a final
10 decision on each application. The department shall inform each
11 applicant of the disposition of the applicant's application.
12 The department shall adopt rules to establish an appeals process
13 for any denial or partial denial of an application.

14 (f) The department shall not release public moneys
15 approved for a subsidy or bonus under this section unless a
16 contract is entered into between the department and the
17 applicant. The department shall develop and determine, in
18 consultation with and subject to review and approval of the
19 department of the attorney general, the specific contract form
20 to be used.



1 (g) Appropriations for subsidies and bonuses made under
2 this section shall be subject to the allotment system generally
3 applicable to all appropriations made by the legislature.

4 (h) Each department contract executed pursuant to this
5 section shall be monitored by the department to ensure
6 compliance with this section and shall be evaluated annually to
7 determine whether the subsidy or bonus attained the intended
8 results in the manner contemplated.

9 (i) Any applicant who withholds or omits any material fact
10 or deliberately misrepresents facts to the department shall be
11 in violation of this section and, in addition to other penalties
12 provided by law, any applicant found to have violated this
13 section or the terms of any contract executed pursuant to this
14 section shall be prohibited from applying for any department
15 subsidies or bonuses for a period of five years.

16 (j) The department may convene and consult community
17 members to establish best practices, policies, or procedures,
18 including but not limited to the development of a salary
19 schedule, educational requirements, and other matters that would
20 assist in the implementation of the program.



1 (k) The department shall adopt rules without regard to
2 chapter 91 to administer the program.

3 (1) For the purposes of this section:

4 "Applicant" means:

5 (1) An infant and toddler child care center, a group child
6 care center, or a group child care home licensed by
7 the department that submits an application for a
8 subsidy pursuant to the program; or

9 (2) A family child care home registered by the department
10 that submits an application for a bonus pursuant to
11 the program.

12 "Bonus" means an award of state funds to a specified family
13 child care home applicant to support the activities of the
14 family child care home applicant and permit the community to
15 benefit from those activities.

16 "Child care worker" means a lead caregiver, caregiver,
17 teacher, assistant teacher, or child care aide employed by an
18 infant and toddler child care center, a group child care center,
19 or a group child care home.

20 "Covered child care worker" means a child care worker
21 employed by an infant and toddler child care center, a group



1 child care center, or a group child care home applicant whom the
2 applicant proposes will receive all or a portion of the
3 requested subsidy if the applicant's application is approved.

4 "Family child care home" means a family child care home as
5 defined under section 346-151 that is registered by the
6 department.

7 "Group child care center" means a group child care center
8 as defined under section 346-151 that is licensed by the
9 department.

10 "Group child care home" means a facility, which may be an
11 extended or modified private home, at which care is provided for
12 seven to twelve children.

13 "Infant" means a child who is six weeks to twelve months of
14 age.

15 "Infant and toddler child care center" means a facility
16 licensed by the department, other than a private home, at which
17 care is provided for infants or toddlers, or both.

18 "Licensed or registered child care provider" means a family
19 child care home, group child care center, group child care home,
20 or infant and toddler child care center licensed or registered
21 by the department.



1 "Program" means the child care provider subsidy and bonus
2 program established pursuant to subsection (a).

3 "Subsidy" means an award of state funds to a specified
4 infant and toddler child care center, a group child care center,
5 or a group child care home applicant to support the activities
6 of the applicant and permit the community to benefit from those
7 activities.

8 "Toddler" means a child who is twelve to thirty-six months
9 of age.

10 **§346- Child care provider subsidy and bonus program;**
11 **reports.** The department shall submit annual reports on the
12 development and implementation of the child care provider
13 subsidy and bonus program, including impacts to infant and
14 toddler child care centers, group child care centers, group
15 child care homes, family child care homes, and child care
16 workers, and any proposed legislation, to the legislature no
17 later than twenty days prior to the convening of each regular
18 session."

19 SECTION 3. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$ or so
21 much thereof as may be necessary for fiscal year 2025-2026 and



1 the same sum or so much thereof as may be necessary for fiscal
2 year 2026-2027 to be deposited into the child care grant program
3 special fund.

4 SECTION 4. There is appropriated out of the child care
5 grant program special fund the sum of \$ or so much
6 thereof as may be necessary for fiscal year 2025-2026 and the
7 same sum or so much thereof as may be necessary for fiscal year
8 2026-2027 for the child care provider subsidy and bonus program
9 established by section 2 of this Act.

10 The sums appropriated shall be expended by the department
11 of human services for the purposes of this Act.

12 SECTION 5. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$ or so
14 much thereof as may be necessary for fiscal year 2025-2026 and
15 the same sum or so much thereof as may be necessary for fiscal
16 year 2026-2027 for full-time equivalent (FTE) program
17 specialist to carry out the implementation and monitoring of the
18 child care provider subsidy and bonus program established by
19 section 2 of this Act.

20 The sums appropriated shall be expended by the department
21 of human services for the purposes of this Act.



H.B. NO. 238

1 SECTION 6. New statutory material is underscored.

2 SECTION 7. This Act shall take effect on July 1, 2025.

3

INTRODUCED BY:

Lisa Mertes

JAN 16 2025



H.B. NO. 238

Report Title:

DHS; Child Care Worker Subsidy and Bonus Program; Infant and Toddler Child Care Centers; Group Child Care Centers; Group Child Care Homes; Family Child Care Homes; Reports; Appropriation

Description:

Requires the Department of Human Services to establish and implement a child care provider subsidy and bonus program to provide subsidies to retain the existing child care workforce in licensed infant and toddler child care centers, group child care centers, and group child care homes and bonuses to registered family child care homes. Requires annual reports to the Legislature. Appropriates funds.

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

