
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 with children under the age of thirteen received subsidies from
4 the child care connection Hawaii program to help them afford
5 child care services. The legislature further finds that child
6 care center providers can be faced with disruptions in services
7 and possible closure when their operating costs are funded by
8 tuition fees because their revenues depend upon ever-changing
9 enrollment figures rather than a stable source of funding.

10 Accordingly, the purpose of this Act is to establish a
11 child care classroom contracts pilot program to develop and
12 implement procedures to subsidize child care by contracting for
13 classrooms in licensed infant and toddler child care centers and
14 group child care centers.

15 SECTION 2. (a) The department of human services shall
16 establish and implement a child care classroom contracts pilot
17 program no later than July 1, 2026.



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

- 4 (1) Children six weeks to five years of age; and
- 5 (2) Families who are eligible for a federally funded child
6 care subsidy through the department of human services;
7 provided that a child care center shall not be eligible for a
8 contract if the center is part of, owned by, or operated by a
9 private educational institution and the awarding of the contract
10 would violate article X, section 1, of the Hawaii State
11 Constitution.

12 (c) The pilot program shall meet the following
13 requirements:

- 14 (1) The pilot program shall provide contracts for at least
15 one full classroom at one licensed infant and toddler
16 child care center and one licensed group child care
17 center per county; and
- 18 (2) Contracts with child care center providers shall be a
19 minimum of twelve months and may be extended for the
20 length of the pilot period.



1 (d) The department of human services shall monitor seat
2 utilization and may adjust the number of contracted seats based
3 on enrollment trends and provider performance; provided that:

4 (1) Providers with consistently low utilization of
5 contracted seats may be subject to contract
6 modification or termination; and

7 (2) The department may contract with a service provider in
8 accordance with chapter 103F, Hawaii Revised Statutes,
9 to operate the child care classroom contracts pilot
10 program.

11 (e) The pilot program shall cease to exist on June 30,
12 2028.

13 SECTION 3. (a) The department of human services shall
14 submit annual interim reports on the development and
15 implementation of the child care classroom contracts pilot
16 program, including impacts to child care provider stability,
17 family satisfaction, and any proposed legislation, to the
18 legislature no later than twenty days prior to the convening of
19 the regular sessions of 2026, 2027, and 2028.

20 (b) The department of human services shall submit a final
21 report on the child care classroom contracts pilot program,



1 including impacts to child care provider stability, family
2 satisfaction, and any proposed legislation, to the legislature
3 no later than twenty days prior to the convening of the regular
4 session of 2029.

5 SECTION 4. This Act shall take effect on July 1, 3000.



Report Title:

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

Description:

Establishes a child care classroom contracts pilot program to require the Department of Human Services to contract directly with child care center providers in licensed infant and toddler child care centers and group child care centers that meet certain criteria. Requires reports to the Legislature. Sunsets the pilot program on 6/30/2028. Effective 7/1/3000. (HD1)

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

