

## ACT 169

S.B. NO. 239

A Bill for an Act Relating to Early Learning Accreditation.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. In accordance with section 9 of article VII of the Hawaii State Constitution and sections 37-91 and 37-93, Hawaii Revised Statutes, the legislature has determined that the appropriations contained in H.B. No. 300, H.D. 1, S.D. 1, C.D. 1,<sup>1</sup> and this Act will cause the state general fund expenditure ceiling for fiscal year 2023-2024 to be exceeded by \$1,065,869,467 or 11.0 per cent. This current declaration takes into account general fund appropriations authorized for fiscal year 2023-2024 in H.B. No. 300, H.D. 1, S.D. 1, C.D. 1,<sup>1</sup> and this Act only. The reasons for exceeding the general fund expenditure ceiling are that:

- (1) The appropriation made in this Act is necessary to serve the public interest; and
- (2) The appropriation made in this Act meets the needs addressed by this Act.

SECTION 2. The legislature finds that high-quality early childhood education programs are critical for young children's development. The legislature further finds that accreditation by a national organization is one marker of quality in early childhood education. The legislature also finds that existing service providers unaccredited as of July 1, 2022, who wish to participate in the preschool open doors program must achieve accreditation by July 1, 2029.

Accordingly, the purpose of this Act is to:

- (1) Require the department of human services to establish a child care accreditation program to assist licensed and registered child care providers in obtaining accreditation;
- (2) Extend the deadlines by which existing preschool open doors program service providers are required to commence the accreditation process and obtain accreditation; and
- (3) Appropriate funds for the child care accreditation program.

SECTION 3. Chapter 346, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§346- Child care accreditation program; established.** (a) The department shall establish and implement a child care accreditation program.

(b) The department shall develop standards, policies, and procedures for the administration of the child care accreditation program, which shall, at minimum:

- (1) Provide upfront grant funding to cover the cost of accreditation by one of the national early learning accrediting organizations, as identified in section 346-184(b), or as approved by the director;
- (2) Provide grant funding for technical assistance to assist an eligible child care provider through the accreditation process; and
- (3) Be available to licensed group child care centers, licensed group child care homes, licensed infant and toddler child care centers, and registered family child care homes.

(c) Requests for grants shall be submitted to the department in accordance with administrative rules adopted by the department to administer the grant program. Each request shall at a minimum state:

- (1) The name of the child care provider requesting grant funds;

- (2) The expenses that are necessary for the child care provider to obtain the accreditation; and
- (3) The age range of the children the child care provider serves.
- (d) Each applicant for a grant shall provide proof that the applicant:
  - (1) Has United States citizenship or permanent United States resident alien status and is a resident of the State at the time of application;
  - (2) Is currently licensed or registered as a child care provider, or is an exempt provider approved by the department;
  - (3) Provides child care at the time of application;
  - (4) Complies with all other federal, state, or county statutes, rules, or ordinances necessary to conduct the activities or provide the services for which a grant is awarded;
  - (5) Complies with all applicable federal and state laws prohibiting discrimination against a person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
  - (6) Agrees not to use state funds for entertainment or lobbying activities;
  - (7) Allows the department, legislative committees and their staff, and the auditor full access to the applicant's records, reports, files, and other related documents and information for the purposes of monitoring, measuring the effectiveness of, and ensuring the proper expenditure of the grant;
  - (8) Is not employed by a child care facility that is part of, owned or operated by, or owned or operated as a private educational institution; provided that an organization or individual that owns or operates both a private educational institution and a child care facility may apply only if the organization or individual can provide evidence that the operations and finances of the private educational institution are completely separate from the operations and finances of the child care facility such that it is clear a grant awarded under this section would not support or benefit the private educational institution in violation of article X, section 1 of the Hawaii State Constitution;
  - (9) Satisfies any other standards that may be required by the source of funding; and
  - (10) Meets all other standards prescribed in rules adopted by the department to implement the grants awarded under this section.
- (e) Each child care provider who, after meeting the requirements of subsection (d), receives grant funds from the department shall be required to obtain accreditation and continue to provide child care for three years after receiving accreditation.
- (f) Each request for grant funds shall be submitted to the department on an application form provided by the department and shall at a minimum contain the information required by subsection (d). The department shall review each request to determine whether the applicant is eligible to receive grant funds and shall make a final decision on each request. The department shall inform each grant applicant of the disposition of the applicant's request. The department shall adopt rules to establish an appeals process for any denial of a request.
- (g) The department shall not release the public funds approved for a grant under this section unless a contract is entered into between the department and the grant recipient. The department shall develop and determine, in consultation with and subject to review and approval of the department of the attorney general, the specific contract form to be used.

(h) Appropriations for grants made under this section shall be subject to the allotment system generally applicable to all appropriations made by the legislature.

(i) Each grant contract executed pursuant to this section shall be monitored by the department to ensure compliance with this section, and shall be evaluated annually to determine whether the grant attained the intended results in the manner contemplated.

(j) Any grant recipient who withholds or omits any material fact or deliberately misrepresents facts to the department shall be in violation of this section and, in addition to other penalties provided by law, any recipient found to have violated this section or the terms of any contract executed pursuant to this section shall be prohibited from applying for any grants awarded by the department for a period of five years from the date of termination.

(k) The child care accreditation program may provide grant funding to cover incidental expenses to allow a child care provider to receive accreditation, including but not limited to expenses for furniture, equipment, or minor renovations.

(l) The department may contract with a service provider in accordance with chapters 103D and 103F, as applicable, to operate the child care accreditation program.

(m) The department shall adopt rules without regard to chapter 91 to administer the child care accreditation program.

(n) The department shall report to the legislature no later than twenty days prior to the convening of each regular session with the number and general location of programs applying for and participating in the child care accreditation program, an aggregated breakdown of the type and amount of costs the program covered for providers, and the percentage of providers receiving preschool open doors program funds that have begun the accreditation process or are currently accredited.

(o) the purposes of this section:

“Grant” means an award of state funds to a specified recipient to support the activities of the recipient and permit the community to benefit from those activities.

“Private educational institution” means a nonpublic entity that provides:

- (1) Educational services for any grades from kindergarten through grade twelve;
- (2) Post-secondary education; or
- (3) Pre-kindergarten level services that are provided by an entity that holds itself out to the public as a school or educational institution, or that are identified by the entity as educational services rather than solely as child care services.

“Recipient” means a child care provider receiving a grant.”

SECTION 4. Section 346-183, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows:

“(b) The department shall expend moneys in the special fund to award grants to private entities for ~~the~~;

- (1) The operating costs of new or existing child care facilities~~[-to establish];~~
- (2) The establishment of new child care facilities~~[-or for];~~
- (3) The expansion of existing child care facilities~~[-]; or~~
- (4) Child care accreditation program grants awarded pursuant to section 346- .

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(c) [Expenditures] Except for child care accreditation program grants awarded pursuant to section 346- , expenditures from the fund may be made by the department without allotment."

SECTION 5. Section 346-184, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Each service provider of the preschool open doors program shall be accredited or shall obtain accreditation within seven calendar years of first receiving any funds from the preschool open doors program; provided that any existing service provider unaccredited on July 1, 2022, shall commence the accreditation process no later than July 1, ~~[2024,]~~ 2029, and obtain accreditation by July 1, ~~[2029,]~~ 2034; provided further that the director may grant to any service provider one or more extensions to obtain accreditation on a case-by-case basis."

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,102,100 or so much thereof as may be necessary for fiscal year 2023-2024 for the child care accreditation program established by section 3 of this Act, including the establishment of one full-time equivalent (1.0 FTE) permanent position for the child care accreditation program.

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

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>2</sup>

SECTION 8. This Act shall take effect on July 1, 2023.

(Approved July 3, 2023.)

### Notes

1. Act 164.

2. Edited pursuant to HRS §23G-16.5.