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**A BILL FOR AN ACT**

RELATING TO CONTRACT PROPOSALS FOR CHILD CARE.

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

1           SECTION 1. Section 103F-401.5, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3           "(a) No contract proposals shall be accepted from any  
4 applicant who lacks any license necessary to conduct the  
5 business being sought by the request for proposals[-], with the  
6 exception of proposals from applicants to operate a child care  
7 program required to be licensed pursuant to section 346-161."

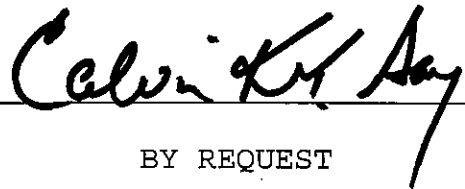
8           SECTION 2. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10          SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:



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BY REQUEST

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JAN 23 2012

H.B. NO. 2541

**Report Title:**

Child Care; Contract Proposals

**Description:**

Allows an exception to allow for proposals to be received from organizations that are not yet licensed to operate a child care program at a facility specified in the request for proposals.

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

JUSTIFICATION SHEET

DEPARTMENT: Human Services

TITLE: A BILL FOR AN ACT RELATING TO CONTRACT PROPOSALS FOR CHILD CARE.

PURPOSE: To allow an exemption to section 103F-401.5, Hawaii Revised Statutes, for applicants submitting proposals to operate a child care facility.

MEANS: Amend section 103F-401.5(a), Hawaii Revised Statutes.

JUSTIFICATION: Section 103F-401.5, Hawaii Revised Statutes, requires that contract proposals cannot be accepted from any applicant who lacks a license necessary to conduct the business being sought by the request for proposals.

For the child care program, a license is issued to an applicant only after the awarding of the contract. The contract agreement is not finalized until after the awardee meets all of the licensing requirements specified in the Department of Human Services' administrative rules.

This process is necessary because the requests for child care services are tied to a site requested by the Department. The request for proposal is for the specific site where the child care program will be operating. The applicant then is given a specific time frame to meet all of the licensing requirements before the contract is finalized.

Requiring a license before an application can be submitted for a child care program will limit the applicants who are allowed to submit a proposal to only those entities that are already licensed to operate a child care program. No new providers will be able to enter the child care business.

Impact on the public: The exception will allow new child care providers to submit applications for contracts to operate child care programs.

Impact on the department and other agencies: Allows for the competitive procurement of requests for proposals that specify a specific facility for operating a child care program.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: HMS 302.

OTHER AFFECTED  
AGENCIES: State Procurement Office.

EFFECTIVE DATE: Upon approval.