

# HOUSE BILL REPORT

## 2SHB 2731

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### As Amended by the Senate

**Title:** An act relating to implementing a program of early learning for educationally at-risk children.

**Brief Description:** Creating an early learning program for educationally at-risk children.

**Sponsors:** House Committee on Ways & Means (originally sponsored by Representatives Goodman, Haler, Maxwell, Priest, Kagi, Sullivan, Seaquist, Quall, O'Brien, Jacks, Haigh, Pedersen, Darneille, Kenney, Rolfes, Hunter, Williams, Orwall, Lias, Carlyle, Roberts, Simpson, Walsh, Nelson, Kelley, Dickerson, Appleton, Eddy, Sells and Morrell).

### Brief History:

#### Committee Activity:

Early Learning & Children's Services: 1/19/10, 1/22/10 [DPS];

Ways & Means: 1/25/10, 2/8/10 [DP2S(w/o sub ELCS)].

#### Floor Activity:

Passed House: 2/13/10, 67-28.

Senate Amended.

Passed Senate: 3/5/10, 29-16.

### Brief Summary of Second Substitute Bill

- Directs implementation of a basic education program of early learning for children who are educationally at-risk.

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### HOUSE COMMITTEE ON EARLY LEARNING & CHILDREN'S SERVICES

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Kagi, Chair; Roberts, Vice Chair; Walsh, Assistant Ranking Minority Member; Goodman and Seaquist.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Haler, Ranking Minority Member; Angel.

**Staff:** Sydney Forrester (786-7120).

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

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## HOUSE COMMITTEE ON WAYS & MEANS

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Early Learning & Children's Services. Signed by 16 members: Representatives Linville, Chair; Ericks, Vice Chair; Sullivan, Vice Chair; Dammeier, Assistant Ranking Minority Member; Cody, Conway, Darneille, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Pettigrew, Priest and Seaquist.

**Minority Report:** Do not pass. Signed by 6 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Chandler, Hinkle, Ross and Schmick.

**Staff:** Wendy Polzin (786-7137).

### **Background:**

#### Department of Early Learning.

Created by the Legislature in 2006, the Department of Early Learning (DEL) is charged with implementing state early learning policy and coordinating, consolidating, and integrating child care and early learning programs. One of the purposes underlying the creation of the DEL is to promote linkages and alignment between early learning programs and elementary schools. The DEL has approached a number of its initiatives over the past three years with the ultimate goal of improving school readiness for Washington's children. The Director of the DEL serves on the Quality Education Council.

#### Quality Education Council.

The Quality Education Council (QEC) was created by the Legislature in 2009 to serve as the education reform implementation and oversight body. The Superintendent of Public Instruction (SPI) serves as chair of the QEC. In its January 2010 report to the Governor and the Legislature, the QEC included 13 recommendations, including a recommendation for the inclusion of an early learning program for at-risk 3- and 4-year-olds within the definition of basic education.

#### Early Childhood Education and Assistance Program.

The Early Childhood Education and Assistance Program (ECEAP) is the current state-funded voluntary preschool program serving children ages 3 and 4 from low-income households. Children from families with income at or below 110 percent of the federal poverty level are eligible for enrollment in the ECEAP. In addition, under rules adopted by the DEL, up to 10 percent of total enrollment slots may be used to enroll children who do not qualify on the basis of family income, including children with developmental delays. Priority for enrollment is given to children from families with the lowest incomes, children in foster care, and children from families with multiple needs. Program standards for the ECEAP are developed by the DEL and include standards for curriculum, provider credentials, and family support services.

#### Program of Basic Education.

The 1977 Basic Education Act describes the program of basic education as:

- the goal of the school system, which includes providing students the opportunity to develop essential knowledge and skills in various subjects;
- the instructional program to be made available by school districts; and
- the determination and distribution of state funding to support the instructional program.

#### Previous Legislation.

In 2009 the Legislature enacted Engrossed Substitute House Bill 2261 (ESHB 2261), which, among other reforms, declared the intent to develop a program of early learning within basic education; directed the SPI and the DEL to convene a working group to develop the basic education program of early learning; and required status reports and a final report be delivered to the QEC. This section of ESHB 2261 was vetoed by the Governor. The Governor's veto message included her commitment to "providing quality early learning programs for all" Washington's children, and requested the SPI and the Director of the DEL "to work together to bring a proposal forward that ensures all Washington children have the benefit of early childhood education." By letter, the Governor also requested Thrive by Five Washington be included in development of the proposal and that a final report be delivered by December 1, 2009.

The Early Learning Advisory Council incorporated the proposal requested by the Governor in her veto message into the draft Early Learning Plan (ELP) presented to the Legislature on December 2, 2009. Among the recommendations in the current draft ELP is a recommendation to increase investments in, and phase in the implementation of, enhanced early learning opportunities for children ages birth to grade 3. The opportunities should be available to all who wish to access them, and they should work to close the preparation and achievement gap children are experiencing.

#### **Summary of Second Substitute Bill:**

Beginning September 1, 2011, a voluntary basic education program of early learning for children who are educationally at-risk (Program) is established within the overall program of basic education. The Program is to provide developmentally appropriate and comprehensive services to eligible 3- and 4-year-olds and their families. The SPI and the DEL will share governance of the Program and jointly adopt rules for implementation.

During the initial implementation phase, school years 2011-12 and 2012-13, the Program will utilize the same eligibility criteria and program standards used by the ECEAP. For subsequent phases of implementation, the Legislature will determine program standards and eligibility criteria after receiving recommendations due November 15, 2010, from the SPI and the Director of the DEL. Eligibility in subsequent implementation phases will include criteria relating to poverty and risk factors shown by research to correlate with poor school outcomes. Children who do not qualify for the Program based on poverty or risk factors, will be eligible if an individual evaluation conducted by the school district demonstrates the child is at risk of being unprepared for kindergarten. On a space-available basis, and so long as eligible children are not displaced, the Program may allow enrollment on a fee for service basis for children who are not educationally at-risk.

#### Program Funding.

Funding for the Program will be appropriated to the SPI, and allocated on a per-eligible-child basis. The DEL will contract with school districts and community-based, DEL-approved early learning providers to deliver services. For the initial phase of implementation, the Legislature will appropriate to the SPI an amount that is not less than what would otherwise have been appropriated for the ECEAP to the DEL. Effective September 1, 2011, pertinent ECEAP funding statutes are repealed.

Beginning in the 2013-14 school year, additional funding will be phased-in incrementally until full implementation of the Program is achieved in the 2017-18 school year. The phase-in of additional funding will be substantially similar to the phase-in of all-day kindergarten funding on basis of poverty in the school district.

#### Reports to the Legislature.

The following reports are due to the Legislature by November 14, 2010:

- Recommendations from the SPI and the Director of the DEL regarding risk factors demonstrated by research to correlate with increased likelihood of poor educational outcomes, and a process for conducting and implementing individual evaluations to be used in determining eligibility.
- Recommendations from the SPI, the Director of the DEL, and the Office of Financial Management regarding a budgeting and funding allocation method.

By January 1, 2011, the SPI and the Director of the DEL will report to the Legislature regarding:

- recommendations for program standards, service standards, and technical assistance needed for potential Program providers;
- strategies to optimize phased implementation of the Program based on locations of potential providers;
- estimates of transportation needs for the Program based on current arrangements used for the ECEAP and future needs; and
- options for developing socioeconomically diverse classrooms.

#### **EFFECT OF SENATE AMENDMENT(S):**

The Senate striking amendment makes the following changes to the program of early learning for three and four year-olds established by the bill:

- Removes the statement of Legislative intent to establish a program of early learning for educationally at-risk children within the overall program of basic education, and instead, declares Legislative intent to create "an entitlement to a program of early learning to protect current levels of funding for comprehensive preschool programs for three and four year old children".
- Removes specific dates by which additional program funding must be provided and by which the program shall be fully implemented for eligible children.
- Removes details regarding recommendations due from the DEL regarding subsequent phases of implementation to begin in the 2013-114 school year.

The Senate amendment also adds the following elements to the bill:

- Revises ECEAP eligibility standards to include a child who qualifies for special education services.
- Requires annual reporting, beginning December 1, 2010, to the Governor and the Legislature regarding recommendations for implementing an early learning program; a review of relevant early learning programs in Washington and other states; and recommendations for renaming the ECEAP to reflect the new early learning program.

Requires annual reporting, beginning December 1, 2012, to the Governor and the Legislature regarding caseload forecasts and recommendations for phasing in additional funding.

**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed, except section 8, relating to the definition of basic education, which takes effect September 1, 2011.

**Staff Summary of Public Testimony** (Early Learning & Children's Services):

(In support) The Ready for School Act is based on the longitudinal research demonstrating that the benefits of quality early learning are undeniable, both for the child and society. The value of incorporating early learning into our basic education program is to bind future legislatures to support this investment in providing the extra help many children need in order to be prepared for kindergarten and beyond. It assures our commitment will continue. This proposal focuses on those children most at-risk for educational failure. Quality early learning programs are the key to children's educational success.

This state has been talking about basic education and early learning since at least 1982. Two generations of children have already gone through the system. It is time we invest now in order to reap the savings in the future. It is time to close the chapter on our pondering and turn the page to a time of action.

Children who are adequately prepared for kindergarten have the opportunity to do well in school, but not all children have this opportunity. Investments in high-quality early learning can reduce the number of children needing special education services later. The current mixed delivery models around Washington can serve as a model for integrating children from various backgrounds who have similar needs.

Early learning should be closely linked with the SPI because this influences the public perception of the importance of early learning and emphasizes the weight that should be assigned to this phase of development. It also will help reinforce the connections between school success and school readiness.

Fight Crime: Invest in Kids believes we cannot continue to keep locking people up because it is too expensive. We must work on preventive strategies and prevent high school dropouts by promoting school success from the beginning. High school dropouts are three times more likely to get arrested and eight times more likely to be incarcerated. With appropriate early learning investments we can increase the high school graduation rate by 44 percent. If we fail to invest now, we will pay the costs later.

Forward-thinking businesses are investing in early learning and so should the government. It is a smart way to spend limited funds and generates an excellent return on investment. Spending money on early learning programs is better than spending it on the juvenile justice system or the corrections system.

Eighty-five percent of core human brain development occurs in the first five years of life, but, only 4 percent of the public investment in children happens during this period of their development. We also should keep the birth-to-three populations in mind, as this is part of the critical developmental period.

The Early Learning Action Alliance believes early learning is a bipartisan issue. This bill is a powerful vision for our future. There is strong support for including a preschool component in the definition of basic education from parents, early learning providers, advocates, philanthropy, researchers, law enforcement, and the business community. All four of the legislative work groups have come to this same conclusion.

The cost to restore children to a level of functioning that will support successful educational outcomes, is 40 to 50 percent more than if we invest during this critical time. The analysis from the Washington State Institute of Public Policy reflects that the cost-benefit analysis of pre-kindergarten programs provides an estimated \$2.53 return on every dollar invested. We can see the benefits of our investments in as little as 10 years. We know that the preparation gap is what creates the achievement gap. Providing quality preschool instruction allows children at-risk to catch-up and be ready for kindergarten.

Quality preschool can break the cycle of poverty and homelessness. A strong predictor of on-time high school graduation is being on grade level in math and reading. A strong predictor of being on grade level in third grade is being ready to learn when entering kindergarten. Equality of opportunity means all children have an equal shot at high school graduation and the opportunities that lie beyond. Education is the foundational cornerstone of our society.

The Service Employees International Union has been a strong proponent of including early learning in the definition of basic education. This bill will help support a seamless education system; will support parental choice by utilizing the current community-based infrastructure; and will allow for evaluation of funding of the entire system. This bill will help us move forward while increasing the quality of early learning.

The Child Care Resource and Referral Network strongly support making this connection between early learning and basic education. This bill makes a strong statement about the importance of early learning. We also would like to continue a focus on birth-to-three

programs because of the critical brain development that occurs during the first few years of life.

The Washington State Parent Teacher Association strongly supports phasing in the early learning preschool program with the all-day kindergarten programs. By including early learning in basic education, we strengthen our current investments in basic education.

(In support with concerns) Early learning is one of the priorities of the SPI and he is concerned about the potential cuts to current early learning and all-day kindergarten programs. There is some concern that, as written, school districts would see the requirement to conduct screening evaluations as an unfunded mandate. There also is the possibility that very small school districts would be challenged to provide a program on their own if community-based providers cannot be found. The SPI supports including early learning in the definition of basic education and believes we also need to fully fund the other components of basic education.

(Opposed) None.

**Staff Summary of Public Testimony (Ways & Means):**

(In support) The bill makes pre-school for at-risk children part of basic education. Early learning is proven to have an impact. The concept of early learning as basic education has been addressed before by the Legislature and is a powerful vision for the state. This legislation will have an overall positive impact on society. Additionally, early learning for at-risk children keeps children out of the criminal justice system later in life.

(Neutral) There may be federal constitutional issues if faith-based programs are specifically excluded.

(With concerns) The idea is sound, but the cost estimates on the substitute bill are too high.

(Opposed) The proposal to make pre-school part of basic education is not supported by the Governor at this time. There are other programs and services available to children and their families. Given legislation adopted in the last session, it is unclear how much basic education will cost under the new plan, and this is not the time to be adding programs.

**Persons Testifying (Early Learning & Children's Services):** (In support) Representative Goodman, prime sponsor; Jim Kainber, Kay Slonim, and Alison Merryweather, Stand for Children; Gregory Malcolm, Encompass; Susan Anderson-Newham, Pierce County Library; Sheriff Casey Salisbury, Mason County Sheriff's Office and Fight Crime: Invest in Kids; Undersheriff Jim Barrett, Mason County Sheriff's Office; Faith Trimble; John Gould, Children's Alliance; Hannah Lidman, Economic Opportunity Institute; Joel Ryan, Washington Head Start and Early Childhood Education and Assistance Program Association; Bea Kelleigh, City of Seattle; Janet Levinger; Michael Power, Tacoma Housing Authority; Pat Montgomery, Auburn Parent Teacher Association; Dana Walker; Kirsten Holabird, Service Employees International Union Local 925; Ryan Pricco, Washington State Child Care Resource and Referral Network; and Kim Howard, Washington State Parent Teacher Association.

(In support with concerns) Robert Butts, Office of the Superintendent of Public Instruction.

**Persons Testifying (Ways & Means):** (In support) Representative Goodman, prime sponsor; Sheriff Dan Kimball, Thurston County Sheriff's Office and Fight Crime: Invest in Kids; Frank Ordway, League of Education Voters; Teresa Mosqueda, Children's Alliance; Hannah Lidman, Economic Opportunity Institute; and Lonnie Johns-Brown, Washington Association of School Administrators.

(Neutral) Michael Bindas, Institute for Justice.

(With concerns) Representative Haler.

(Opposed) Judy Jennings, Washington Federation of Independent Schools; and Leslie Goldstein, Governor's Policy Office.

**Persons Signed In To Testify But Not Testifying (Early Learning & Children's Services):** None.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** None.