

# HOUSE BILL REPORT

## HB 2377

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**As Reported by House Committee On:**  
Early Learning & Human Services

**Title:** An act relating to improving quality in the early care and education system.

**Brief Description:** Improving quality in the early care and education system.

**Sponsors:** Representatives Hunter, Kagi, Walsh, Sullivan, Farrell, Carlyle, Senn, Moeller, Tharinger, Ryu, Reykdal, Morrell, Roberts, Goodman, Tarleton, Freeman, Pollet and Habib.

**Brief History:**

**Committee Activity:**

Early Learning & Human Services: 1/23/14, 2/3/14 [DPS].

**Brief Summary of Substitute Bill**

- Adds definitions for school-age child and non-school age child in statute.
- Requires the Department of Early Learning (DEL) to electronically publish the Early Achievers program ratings for early care and education programs and take into account the linguistic needs of parents and caregivers when publishing these ratings.
- Directs the DEL to create a culturally and linguistically reflective professional development pathway for child care and early learning providers.
- Provides that the DEL is required to implement a tiered reimbursement for the Early Achievers participants rated at a level three, four, or five.
- Directs the DEL to design a plan to incorporate school-age child care providers into the Early Achievers program.
- Specifies that the Early Achievers program quality improvement awards are reserved for participants offering programs that are comprised of at least 5 percent of children receiving subsidy.
- Outlines Early Achievers participation and rating goal requirements for certain child care and Early Childhood Education and Assistance Program (ECEAP) providers.
- Requires the DEL to collect specific data pertaining to the Working Connections Child Care (WCCC) and the ECEAP and provide that data to the

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Education Data Center, the Washington State Institute of Public Policy (WSIPP), and child care and early learning providers.

- Instructs the WSIPP to complete analyses examining quality levels and child outcomes and a cost-benefit analysis.
- Specifies that a child is eligible for the WCCC program for a 12-month enrollment period.
- Removes a parent's or a caregiver's obligation to report changes in regard to the WCCC to the Department of Social and Health Services.
- Specifies that the WCCC cap is established in the operating budget.
- Requires the DEL to develop an absence and de-enrollment policy for WCCC and ECEAP.
- Directs the DEL to contract at least 20 percent of the WCCC slots by a certain date and prioritize certain programs.
- Aligns fingerprint processes for the WCCC program and the ECEAP.
- Directs the DEL to prioritize certain programs and mandate certain requirements when implementing the preschool program.
- Outlines licensing requirements for certain Family, Friend, and Neighbor child care providers.
- Instructs the DEL to implement a single set of licensing requirements by July 1, 2017.
- Specifies that local government may contribute funds to the DEL.
- Creates the Early Start Account.
- Adds a null and void clause.

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## HOUSE COMMITTEE ON EARLY LEARNING & HUMAN SERVICES

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Kagi, Chair; Freeman, Vice Chair; Walsh, Ranking Minority Member; Goodman, MacEwen, Ortiz-Self, Roberts and Senn.

**Minority Report:** Do not pass. Signed by 5 members: Representatives Scott, Assistant Ranking Minority Member; Fagan, Sawyer, Young and Zeiger.

**Staff:** Lindsay Lanham (786-7120).

### **Background:**

In 2007 the quality rating and improvement system for the early care and education system in Washington, called the Early Achievers program, was created. The Early Achievers program establishes a common set of expectations and standards that define, measure, and improve the quality of early learning and care settings. The Department of Early Learning (DEL)

completed state-wide implementation of the Early Achievers program in July 2013.

There are five levels in the Early Achievers program. All licensed or certified child care programs enter the program at level one. Participants advance to level two when they officially enroll in the Early Achievers program. At level two, participants are required to complete several activities such as a self-assessment and trainings. For levels three through five, participants are evaluated and earn points in the following areas: child outcomes; facility curriculum and learning environment and interaction; professional development and training; and family engagement and partnership. At levels three, four, and five, Early Achievers participants are evaluated and assigned a rating. The Early Achievers program provides participants coaching, training opportunities, professional development scholarships and grants, technical assistance, and consultation.

The Working Connections Child Care (WCCC) program offers subsidies to child care providers serving families at or below 200 percent of the federal poverty level. The state pays part of the cost of child care. The parents or caregivers are responsible for making a copayment to the child care provider. Both child care centers and family home providers are able to receive WCCC subsidy payments. Children of families receiving the WCCC benefits are required to be less than 13 years of age or less than 19 years of age and have a verified special need or be under court supervision. The DEL sets child care subsidy policy and provides WCCC oversight for child care licensing. The Department of Social and Health Services (DSHS) helps families apply for WCCC, determines eligibility and parent or caregiver copayments, authorizes child care, and issues payments to providers.

The Early Childhood Education and Assistance Program (ECEAP) is the Washington State Preschool Program. The ECEAP serves families at or below 110 percent of the federal poverty level. Although ECEAP prioritizes children who are 4 years old by August 31, children who are 3 years old are also eligible for the program. In addition to preschool programming, the ECEAP also provides family support and health services. The stated goal of the ECEAP is to help ensure children enter kindergarten ready to succeed.

The DEL was required to develop an ECEAP expansion plan by September 30, 2013. The Washington State Institute for Public Policy (WSIPP) was directed to complete a meta-analysis and retrospective outcome evaluation and return on investment analysis of the ECEAP. The meta-analysis was provided to the Legislature in January 2014. The retrospective study is to be completed by December 15, 2014.

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

#### Definitions.

Non-school-age child is defined as a child birth through 5 years of age who has yet to enter kindergarten. Additionally, school-age child is defined as a child not less than 5 years of age through 12 years of age who is attending kindergarten or school.

#### Early Achievers Program.

Language is added to state that the Early Achievers program establishes the framework for strengthening the quality of the early care and education system. Two additional objectives are added to the Early Achievers program and include the following: to improve short-term and long-term outcomes for children as measured by specific assessments; and to provide professional development opportunities to early care and education providers. It is established that there are five levels in the Early Achievers program and that participants are expected to actively engage in the program and advance from level one to level five. Participants may request ratings at any time after enrollment in the Early Achievers program.

Effective July 1, 2015, the DEL is required to publish Early Achievers program ratings for all child care programs, ECEAP programs, and Head Start programs. The DEL is directed to publish ratings on the DEL website or offer a link on its website. Ratings are to be published within 30 days from the time a program becomes licensed or certified, or receives a rating. The ratings are to be published in a manner that is easily accessible to parents and caregivers, and takes into account the linguistic needs of parents and caregivers. Additionally, the DEL is required to charge a fee for optional re-rating requests made by program participants that are outside the established rating cycle. The fee charged by the DEL may not exceed the cost associated with the cost to the DEL for the class of activities associated with the Early Achievers program.

The DEL is further directed to create a professional development pathway for Early Achievers program participants to obtain a high school diploma or higher education credential in early childhood education or other academic fields related to early care and education. The professional developmental pathway is required to include opportunities for scholarships and grants to assist participants with the costs associated with obtaining an educational degree. The professional development pathway must be culturally and linguistically reflective of participant's needs and demographics.

The DEL is also directed to implement a tiered reimbursement for Early Achievers participants rated at level three, four, or five. The DEL is further directed to design a plan to implement to incorporate school-age child care providers into the Early Achievers program. The Early Achievers quality improvement awards are required to be reserved for participants offering programs that are comprised of at least five percent of children receiving subsidy.

#### Early Achievers Data Collection and Evaluation.

The DEL is required to collect longitudinal, student level data on children attending a WCCC or ECEAP program. Data collection includes, at a minimum, the following: daily attendance; identification of classroom and a teacher; Early Achievers rating level; program hours; program duration; distinct ethnic categories within racial subgroups that align with categories established by the Education Data Center; and developmental results from the Washington Kindergarten Inventory of Developing Skills (WAKIDS).

The DEL is further directed to give child care and early learning providers, student-level data that are specific to the individual providers program. Additionally, data collected are required to be provided to the Education Data Center and the WSIPP. The WSIPP is directed to conduct a series of evaluations examining relationships between the Early Achievers program quality rating levels and outcomes for children. The WSIPP's final report is to include a cost-benefit analysis.

### Working Connections Child Care.

It is specified that a child is eligible for the WCCC program for a 12-month enrollment period and may not be deemed ineligible due to any change in circumstances, including, but not limited to, the following: a change in family composition or household; a change in a parent's or a caregiver's employment status; a change in a parent's or a caregiver's employment status due to health; or a change in a parent's or a caregiver's income. Language pertaining to a 5 percent increase in subsidy for providers enrolling in the Early Achievers program levels one and two and advancing to level three within 30 months is removed from statute. Provisions requiring a parent or caregiver receiving WCCC to notify the DSHS, within 10 days, about significant changes related to the number of child care hours the applicant or recipient needs, cost sharing, or eligibility are removed. The WCCC program is identified as a capped program and the cap is established in the operating budget.

The DEL is to adopt rules pertaining to the WCCC that outline the following: allowable periods of child absences; required contact with caregivers to discuss child absences and encourage program attendance; and de-enrollment procedures when allowable child absences are exceeded. The implementation of rules pertaining to child absences and de-enrollment procedures are required to align with the implementation of the DEL's electronic time and attendance record system and be adopted no later than July 31, 2015.

Child care providers serving non-school-aged children and receiving state subsidy are required to enroll in the Early Achievers program and complete level two activities by July 1, 2017. Child care providers serving non-school-aged children and receiving state subsidy payments must be rated at a level three in the Early Achievers program by July 1, 2019. Effective July 1, 2015, a new child care provider serving non-school aged children and receiving state subsidy payments must enroll in Early Achievers within 30 days; complete Early Achievers level two activities within 12 months from receiving a state subsidy payment; and rate at an Early Achievers level three within 30 months from receiving a state subsidy payment.

Family, Friend, and Neighbor child care providers who receive state subsidy payments are exempt from child care licensure and are not required to join the Early Achievers program while qualifying as an unlicensed provider. Family, Friend, and Neighbor child care providers who receive state subsidy payments are required to obtain a child care license after 36 months from receiving the first subsidy payment or after simultaneously or consecutively caring for more than six children. Family, Friend, and Neighbor child care providers who do not obtain child care licensure as aforementioned are not able to receive state subsidy.

The DEL is directed to employ a combination of vouchers and contracted slots for the WCCC program. The DEL's duties relating to child care contracted slots include, but are not limited to, the following: contract at least 20 percent of the WCCC slots by January 1, 2016; award slots via a competitive process and prioritize child care programs with specific characteristics; pay a provider for each contracted slot, unless a contracted slot is not used for 30 days; charge a child care copayment for each contracted slot; and establish a copayment fee by rule. Only a child care provider who participates in the Early Achievers program and is rated at a level three, four, or five is eligible to be awarded a contracted slot. Only

providers offering full workday early care and education opportunities are eligible to be awarded a contracted slot.

#### Early Childhood Education and Assistance Program (Preschool).

The DEL is required to adopt rules pertaining to the ECEAP that outline the following: allowable periods of child absences; required contact with caregivers to discuss child absences and encourage program attendance; and de-enrollment procedures when allowable child absence are exceeded. Implementation of rules pertaining to child absences and de-enrollment procedures are required to align with the implementation of the electronic time and attendance record system and be adopted no later than July 31, 2015. Language that specifies the funds used to continue or expand preschool programming may not supplant federally supported head start programs is removed from statute.

The DEL is also required to adopt rules requiring ECEAP employees and volunteers to submit to finger print checks that align with the finger print processes required for the WCCC program, if the volunteers or employees have access to children. Existing ECEAP providers are required to enroll in the Early Achievers program and be rated a level three by July 1, 2015. The ECEAP providers must be rated a level four by July 1, 2019. By January 1, 2014, new ECEAP slots are only available to Early Achievers participants rated at a level three, four, or five. The ECEAP providers are required to institute a WCCC program and maintain an optional full workday program by July 1, 2017.

For school year 2014-2015, implementation of preschool programming must prioritize the following programs: programs located in a high-need geographic area, programs offering services to children diagnosed with a special need; children involved in the child welfare system; or programs participating in the Early Achievers program and rated at a level three, four, or five. For school year 2014-2015, only providers offering full workday early care and education programming are eligible for program implementation. For school year 2015-2016, only providers meeting both of the following requirements are eligible for the implementation of preschool programming: programs participating in the Early Achievers program and rated at a level three, four, or five; and programs offering full workday early care and education programming.

#### Licensing Standards.

By July 1, 2015, the DEL is required to implement a single set of licensing standards for child care and ECEAP. The single set of licensing requirements must use Early Achievers as a framework, eliminate additional regulations, take into account the separate needs of family care providers and child care centers, and promote the continued safety of child care settings.

#### Local Government.

Local government is encouraged to collaborate with the DEL when establishing early learning programs for residents. Local government may contribute funds to the DEL for initial investments to establish capacity and quality in local early care and education programming and reductions in copayments charged to caregivers. Funds contributed to the DEL by local government are deposited in the Early Start Account.

#### Early Start Account.

The Early Start Account is established in the state treasury. Moneys in the account may only be used after appropriation. Expenditures from the account may only be used to improve the quality of the early care and education program.

Electronic Time and Attendance Records System.

The DEL is directed to implement an electronic time and attendance records system by July 1, 2015. The savings generated from the electronic time and attendance records system can only be used to improve quality in the early care and education system.

Null and Void Clause.

If specific funding is not provided by June 30, 2014, this act is null and void.

A section of uncodified session law from the second special session of 2013, pertaining to early learning, is repealed.

**Substitute Bill Compared to Original Bill:**

Definitions.

The substitute adds definitions for school-age and non-school-age children.

Early Achievers Program.

The substitute bill: specifies that participants may request ratings at any time after enrollment in the Early Achievers program; specifies that the DEL must take into account the linguistic needs of parents and caregivers when publishing the Early Achiever ratings; stipulates that the professional development pathway created for Early Achiever participants must be culturally and linguistically reflective of participants needs; provides that the DEL shall implement tiered reimbursement for Early Achiever participants rating at level three, four, or five; directs the DEL to design a plan to incorporate school-age child care providers into the Early Achievers program; and provides that the Early Achievers program quality improvement awards shall be reserved for participants offering programs that are comprised of at least 5 percent of children receiving subsidy.

Early Achievers Data Collection and Evaluation.

The substitute directs the DEL to collect data from the WAKIDS; and requires the DEL to provide specific data to child care and early learning providers.

Working Connections Child Care.

The substitute bill provides that the WCCC program is a capped program and the cap is established in the operating budget; clarifies that the implementation of rules pertaining to child absences and de-enrollment procedures for the WCCC program must align with the implementation of the electronic time and attendance record system and must be adopted no later than July 31, 2015; stipulates that Family, Friend, and Neighbor child care providers who receive subsidy payments are exempt from joining the Early Achieves program while qualifying as an unlicensed provider; adds that Family, Friend, and Neighbor child care providers who receive state subsidy payments are required to obtain a child care license after 36 months from receiving the first subsidy payment or after simultaneously or consecutively caring for more than six children; stipulates that Family, Friend, and Neighbor child care providers who do not obtain child care licensure accordingly are not able to receive state

subsidies; removes the provision that requires a parent or caregiver to report significant changes related to child care hours, cost sharing, or eligibility to the DSHS; and specifies that only providers offering full workday early care and education opportunities are eligible to be awarded a contracted slot.

Early Childhood Education and Assistance Program (Preschool).

The substitute bill specifies that, for school year 2014-2015, only providers offering full workday early care and education programming are eligible for the implementation of preschool programming; prioritizes providers participating in the Early Achievers program and rated at level three, four, or five; stipulates that, for school year 2015-2016, only providers offering full workday early care and education programming and providers participating in the Early Achievers program and rated at level three, four, or five are eligible for the implementation of preschool program.

Early Start Account.

The substitute bill creates the Early Start Account; and provides that any funds contributed by local government are deposited into the Early Start Account.

Null and Void Clause.

The substitute bill adds a null and void clause for the entire act.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

**Staff Summary of Public Testimony:**

(In support) All the research leads us to believe that high quality programs matter tremendously for school readiness and other child outcomes. The research also indicates that low-quality programming is actually bad for children. A series of carrots and sticks are provided that build on the quality foundation of the Early Achievers program and better integrates the state subsidized early care and education programs, the WCCC program and the ECEAP. By linking eligibility to children and ensuring 12-month eligibility for the WCCC program, stability is increased for children. Financial stability is also increased for providers offering quality programming via tiered reimbursement and contracted slots.

It is nearly impossible to get every sheriff in Washington and 150 police chiefs to agree on anything; however, one thing that sheriffs and police chiefs agree on is that the most effective crime prevention tool we have is to get at-risk kids off to a good start in life. And this includes high quality early learning. In one study, children who did not attend a high quality preschool program were 70 percent more likely to commit a violent crime than the kids who did attend preschool. High quality early learning programs also impact a child's success in

schools. This is important because kids who do not graduate are more likely to get in trouble with the law. We do not get the crime reduction benefits of early learning unless there are high quality early learning schools. In one jail it takes \$80 a day to keep a person in that jail. One person offers that he would much rather spend \$80 a day on a child for early learning.

The DEL is very committed to help providers improve the quality of care that they provide to children in Washington. The DEL knows that they can improve the quality of programming by strengthening the adult-child interactions, offering rigorous curriculum, and increasing the dosage of programming provided to children.

All children deserve a strong start in life and high quality early learning creates a foundation for the future. Early learning programs have a unique opportunity to impact the rapid brain development that occurs during the earliest years. Many children in Washington are arriving at kindergarten not ready to learn. For many children of color and children from low-income families, this opportunity gap continues to show up throughout the school years. It is critical, however, that programs have the resources to sustain quality and programs remain culturally relevant to ensure a diverse mix of providers.

There are few occasions like this one where you get to truly change the trajectory of thousands of children by supporting these policies. Washington has made great strides in both policy and investing in early learning. The battle and debate over the data and impact of early learning is over because it has been firmly established that early learning is the best place to invest.

One parent discussed her experience with the ECEAP. The parent's child moved to the United States in 2011 and enrolled in an ECEAP program in 2012-2013. At the time of enrollment, the child was just beginning to learn English. The love, care, and support that the ECEAP teacher provided to the child helped the child build her language, her confidence, and love for school. Her transition to kindergarten went well. Every child deserves the opportunity to attend an ECEAP.

Another parent discussed her experience with the WCCC program. This parent began working as a young teenager. She always provided for herself and her children. When this parent was going through a divorce, the parent enrolled in the WCCC program to provide a stable learning atmosphere for her children. When the parent was seven months pregnant, the parent was diagnosed with a medical condition that required bed rest. Per medical instruction, the parent was not able to return to work. The parent notified the WCCC program to report that she was placed on bed rest. This was the last day the children qualified for the WCCC program. Despite the fact that her children were thriving in child care and the parent felt that the children needed the stability and learning opportunities offered with child care, the children were not able to attend. A 12-month enrollment period would have allowed the parent's children to benefit from the stability they needed during the time of crisis.

Business people around the state have come to the conclusion that we need to take advantage of what can be done smartly to change lives of children before kindergarten. There needs to be industry standards and best practices. Early Achievers is the right direction as it offers continuous quality improvement for people in the field.

(In support with concerns) Homeless children do not qualify for the WCCC program and there are concerns homeless children may have unmet needs. One person would like to see children experiencing homelessness have an exemption in regards to the absence and de-enrollment provisions.

Requiring full-day programming may leave out some children that may not qualify for the WCCC program. Many immigrant families do not apply for the WCCC program because of fear of the government. Programs in rural areas are also concerned about the physical building capacity that it would take to implement a full-day program. It may be helpful to implement full-day programming at a slower pace.

Removing Friend, Family, and Neighbor care providers will eliminate parent choice and may cause harm to immigrant communities. We want to make certain we strengthen parent choice, whether that it is through extended hours or culturally and linguistically diverse programs. Friend, Family, and Neighbor care providers offer dual language care and special needs care. Until licensing issues are fixed, there is not the trust in the licensing system to encourage exempt providers to pursue licensing. It may be better to direct resources to providers than directing more money at the WCCC program. Provided funds should be focused on pushing providers from level two to level three. Additional funds may also be needed to reach immigrant communities.

(Opposed) It is difficult to believe that the DEL included all the provisions. The children, parents, and citizens of the state will all be adversely affected if this legislation passes. There is no empirical evidence that supports the premise of the DEL. Early learning is the wrong remedy for a very crucial problem.

One provider stated that participation in the Early Achievers program is not helpful. It is all forms and no function. The Early Achievers coaches are being paid to make phone calls. The only benefit to providers is access to a credential. Providers are also required to remain in the program. So providers are constantly filling out forms. The quality rating and improvement system is subjective. The DEL is also able to charge a fee in the Early Achievers program. Early Achievers is not a voluntary program. It was initially called a voluntary program. Early Achievers is not the answer. One provider was rejected from the program after identifying the program as a fraud. Contracted slots will greatly reduce parental choice and culturally diverse program options. Funding will be wasted on empty slots. This massive change in child care policy will have negative consequences and force out child care providers. Early learning is going in the wrong direction.

(Other) Quality matters particularly for the most vulnerable children. What happens and does not happen in the first five years of life, plays a significant role in how well a child does in school and in life. The experiences our youngest learners have in early care and education environments matters. Children from low income families or adverse circumstances are at-risk for school failure. These children on average start kindergarten 12-14 months behind their peers in pre-reading and language skills. Children who attend high quality early learning are less likely to repeat grades or require special education services. They are more likely to graduate from high school.

**Persons Testifying:** (In support) Representative Hunter, prime sponsor; Casey Salisbury, Mason County Sheriff; Selena Mejia-Sandoval; Heather Moss, Department of Early Learning; Melanie Smith, Wellspring Family Services; Frank Ordway, League of Education Voters; Melissa Johnson, Washington State Association of Headstart; Grace Sebugwawo; Julianna Johnson; and Steve Leahy, America's Edge.

(In support with concerns) Casey Osborn-Hinman, Children's Alliance; Lauren Hipp, Moms Rising; and Lani Todd, Service Employees International Union 925.

(Opposed) Gib Kocherhans and Tim Benn.

(Other) Kristin Wiggins, Thrive by Five Washington.

**Persons Signed In To Testify But Not Testifying:** None.