

HOUSE BILL REPORT

2SSB 5595

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

Title: An act relating to child care reform.

Brief Description: Concerning child care reform.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Billig, Litzow, Darneille, Fain, Hargrove, McAuliffe, Harper, Nelson, Hobbs, Mullet, Frockt, Cleveland, Rolfes, Kohl-Welles, Shin, Kline and Conway).

Brief History:

Committee Activity:

Early Learning & Human Services: 3/26/13, 4/2/13 [DPA];
Appropriations: 4/5/13 [DPA(APP w/o ELHS)].

**Brief Summary of Second Substitute Bill
(As Amended by Committee)**

- Defines the Early Achievers Program and the program goals.
- Outlines specific responsibilities of the Department of Early Learning and the Department of Social and Health Services with regards to the Working Connections Child Care Program (WCCC).
- Creates a legislative task force to examine certain components of the WCCC.
- Incorporates some of the recommendations from the Aclara Report into practice.

HOUSE COMMITTEE ON EARLY LEARNING & HUMAN SERVICES

Majority Report: Do pass as amended. Signed by 6 members: Representatives Kagi, Chair; Walsh, Ranking Minority Member; Farrell, Goodman, Roberts and Sawyer.

Minority Report: Do not pass. Signed by 4 members: Representatives Scott, Assistant Ranking Minority Member; MacEwen, Overstreet and Zeiger.

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.

Staff: Lindsay Lanham (786-7120).

Background:

The Working Connections Child Care Program (WCCC) provides subsidies to child care providers serving families at or below 200 percent of the federal poverty line. Parents are also expected to make a copayment based upon income and household size. While the Department of Early Learning (DEL) has the authority to establish and implement policies in the WCCC, the Department of Social and Health Services (DSHS) has the responsibility for verifying a families' eligibility to receive the WCCC subsidies.

The WCCC is often associated with Washington's WorkFirst program and is intended to support parents who are working, attending training, or enrolling in educational programs outside the home. Not all families receiving the WCCC benefits participate in Workfirst activities. For example, a parent under 22 years of age may be eligible for the WCCC benefits, if the parent is enrolled in a high school development program. 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.

In 2007 Engrossed Second Substitute Senate Bill 5828 established the Early Achievers program, which is Washington's quality rating and improvement system. The program was developed by the DEL and the University of Washington. Early Achievers establishes a common set of expectations and standards that define, measure, and improve the quality of early learning settings. All the WCCC providers have the option of participating in the Early Achievers program.

The DEL and the DSHS contracted with the Aclara Group to evaluate the WCCC eligibility system. The Aclara Group provided its report to the DEL and the DSHS on October 31, 2012. Utilizing the lens of lean management, an evaluation was conducted to identify gaps in the system and provide a list of recommendations that if adopted may improve efficiency of eligibility processes, enhance cost effectiveness, and improve parental access to the WCCC.

Summary of Amended Bill:

The Early Achievers program is defined in statute as a program that improves the quality of early learning programs and supports and rewards providers for participation. The Early Achievers program has five levels and is designed to accomplish the following goals: provide parents with clear and easily accessible information about the quality of child care and early education programs, improve early learning programs throughout Washington, increase school readiness for children, close the disparity between segments of the population with regard to access to quality child care, and establish a uniform set of expectations and standards that define, measure, and improve the quality of early learning environments. All licensed child care providers are eligible to participate in the Early Achievers program and participation in the program is voluntary.

Standards and guidelines for the DEL and the DSHS pertaining to the WCCC are outlined in statute. The DEL is required to provide training to employees on professionalism. The DSHS is required to do the following: return all calls from parents receiving the WCCC benefits within two business days from receiving the call; develop a process by which parents can submit required forms and information electronically by June 2015; notify parents and providers 10 days before the loss of benefits; and provide parents with a document that explains in detail and in easily understood language what services they are eligible for, how they can appeal an adverse decision, and the parent's responsibility in obtaining and maintaining eligibility for working connections child care.

The DEL is further required to convene a parent and provider oversight board comprised of five parents receiving the WCCC benefits from diverse geographic locations and five WCCC providers from diverse geographic locations. The oversight board is charged with listening to issues raised by parents and providers participating in the WCCC and offer policy recommendations to the DEL.

Additionally, a legislative task force is comprised to examine the tiered reimbursement model, child care enrollment procedures, eligibility rules, expansion of outreach to parents, funding, and copayment requirements.

Finally, the DEL and the DSHS must incorporate some of the recommendations from the Aclara Group into practice by December 2013. Specifically, the DEL and the DSHS must eliminate the current custody and visitation policy, create broad authorization categories, establish rules to specify that parents who receive the WCCC benefits and participate in 110 hours or more of approved work or related activities are eligible for full-time child services, and clarify and simply the requirement to count child support as income.

Amended Bill Compared to Second Substitute Bill:

The definition of "Early Achievers" was modified to mean a program that improves the quality of early learning programs and supports and rewards providers for participation. The goals of the Early Achievers program are removed from the definition of Early Achievers and incorporated into section 2 of the act. The specific provisions that define the five levels of the Early Achievers program are removed. The title of section 3 of the act, Child Care Consumer Bill of Rights, is removed. The DEL and the DSHS are provided standards and guidelines pertaining to the WCCC. Some of the specific responsibilities of the DEL and the DSHS with regards to the WCCC are outlined. The composition of the parent and provider oversight board is required to include five parents receiving the WCCC benefits from diverse geographic locations and five WCCC providers from diverse geographic locations. Finally, the DEL is required to adopt rules allowing parents who participate in 110 hours or more of approved work or related activities to be eligible for full-time child services, and clarify and simply the requirement to count child support as income.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The WCCC not only provides affordable and safe child care, but it also provides quality early learning opportunities for children who need it the most. If Washington wants to close the opportunity gap and improve high school graduation rates, then early learning is the best investment.

Children should arrive on the first day of kindergarten ready to learn. However, there are dramatic differences between children who have participated in quality early learning programs and those who have not. A child who does not attend a quality early learning program spends the first half of the year of kindergarten learning basic skills, such as, knowing how to respond when a teacher calls his or her name. Such remedial help in the beginning of the school year sets the entire classroom back. Quality early learning is important for all children.

Communities across the state are working hard to create an integrated and formal connection between early learning and the K-12 system. The results of this work are remarkable and they are changing the trajectory of children's lives in those communities. The entire system, however, is at risk because of the instability of the WCCC.

Some providers have stopped accepting the WCCC subsidy because it is hard to get paid. Slots that were once reserved for low-income children are now being filled by parents able to pay the private rate. The number of child care providers accepting the WCCC subsidies has decreased by almost half since 2010.

One child care provider recalls a particular incident about a child in her program. The child was doing well in the program. However, the child's mother lost the child care subsidy because of the child support clause. As a result, the parent had to remove the child from the stable child care program and find care with various friends and neighbors. The child began to display separation anxiety because of the lack of stability, continuity, and quality of care. Child care is the only early learning opportunity where children are not segregated by income. This choice to attend early learning programs should be preserved.

(In support with concerns) The specificity of the language relating to the definition and levels of the Early Achievers program restricts the DEL's ability to make any changes or adjustments to the program based upon what the DEL learns from program implementation or the program evaluation conducted by the University of Washington.

(Opposed) None.

Persons Testifying: (In support) Senator Billig, prime sponsor; Lani Todd and Holly Lindsay, Service Employees International Union 925; Frank Ordway, League of Education Voters; and Ryan Pricco, Child Care Aware and Early Learning Action Alliance.

(In support with concerns) Amy Blondin, Department of Early Learning.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended by Committee on Appropriations and without amendment by Committee on Early Learning & Human Services. Signed by 16 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Carlyle, Cody, Green, Haigh, Hudgins, Hunt, Jinkins, Kagi, Maxwell, Morrell, Pedersen, Seaquist, Springer and Sullivan.

Minority Report: Do not pass. Signed by 13 members: Representatives Alexander, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Dahlquist, Fagan, Haler, Harris, Parker, Pike, Ross, Schmick and Taylor.

Staff: Wendy Polzin (786-7137).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Early Learning & Human Services:

The Appropriations Committee removed the obligation for the Department of Early Learning to convene a parent and provider oversight board; added two members to the legislative task force; and specified issues to be addressed by the legislative task force.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The Working Connections Child Care (WCCC) program is the single largest early learning system in the state. This bill will help address administrative problems and improve accuracy. The WCCC program is both an early learning program and a poverty prevention program. Families need affordable child care coming out of the recession. Early learning is a proven investment. There are positive economic impacts from the WCCC program.

(Opposed) None.

Persons Testifying: Loni Todd, Service Employees International Union Local 925; and Elizabeth Richer, League of Education Voters.

Persons Signed In To Testify But Not Testifying: None.