

SENATE BILL REPORT

2SHB 1344

As Reported by Senate Committee On:
Early Learning & K-12 Education, March 22, 2019

Title: An act relating to establishing the Washington child care access now act.

Brief Description: Concerning child care access.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Reeves, Ryu, Sells, Valdez, Goodman, Robinson, Shewmake, Stonier, Macri, Kilduff, Leavitt and Pollet).

Brief History: Passed House: 3/05/19, 72-24.

Committee Activity: Early Learning & K-12 Education: 3/18/19, 3/22/19 [DPA-WM, DNP, w/oRec].

Brief Summary of Amended Bill

- Directs the Department of Commerce to contract for a regional assessment of the child care industry to be completed by July 1, 2020.
- Tasks the Office of Financial Management with developing a state employee survey to better understand issues affecting child care access and affordability.
- Modifies the duties, membership, and term of the Child Care Collaborative Task Force and directs the task force to submit reports in 2020 and 2021.
- Requires the Department of Children, Youth, and Families to use a child care cost model developed by the task force to determine child care subsidy rates by January 1, 2025.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Wellman, Chair; Wilson, C., Vice Chair; Hunt, McCoy, Pedersen and Salomon.

Minority Report: Do not pass.

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.

Signed by Senators Hawkins, Ranking Member; Wagoner.

Minority Report: That it be referred without recommendation.
Signed by Senator Padden.

Staff: Ailey Kato (786-7434)

Background: Child Care Collaborative Task Force. In 2018, the Department of Commerce (Commerce) began facilitating this task force to examine the effects of child care affordability and accessibility on the workforce and on businesses. The task force must submit a report with its findings and recommendations on certain topics by November 1, 2019.

Technical Work Group on Compensation for the Child Care Workforce. The 2017-19 operating budget directed the Department of Early Learning, now the Department of Children, Youth, and Families (DCYF), to convene a work group to develop recommendations to support increased child care workforce wages, reduce turnover, enable child care providers to recruit more qualified educators, and maintain the diversity of the current workforce. The work group was directed to issue a report with recommendations and an implementation plan by December 1, 2018.

Working Connections Child Care. This federally and state-funded program provides child care subsidies to families with an income at or below 200 percent of the federal poverty level—\$51,500 for a family of four. The state pays part of the cost of childcare when a parent is employed, self-employed, or in approved activities unless the family has received child welfare, child protective, or family assessment response services in the previous six months. The family is responsible for making a copayment to the child care provider based on the family's countable income.

Summary of Amended Bill: Regional Assessment of the Child Care Industry. Commerce must enter into one or more contracts for the development of a regional assessment of the child care industry in Washington to better understand issues affecting child care access and affordability for families. Commerce must collaborate with the Office of Innovation, Alignment, and Accountability within DCYF to ensure efficient use of available data and rigorous research methods and to assist with interpretation of data and report preparation.

Commerce must conduct one or more competitive solicitations to select a third-party entity or entities to conduct the industry assessment in partnership with a statewide organization representing parents. Commerce may use a combination of private and public resources. The assessment must be submitted by July 1, 2020.

The assessment may be developed using existing reports, studies, models, and analysis. At a minimum, the assessment must:

- incorporate current data on the number of children age twelve and under who are receiving care from child care and early learning providers, differentiated by certain categories;
- define and describe the characteristics of the informal child care market;
- identify family child care choices by family income bracket;

- include a visual representation of child care supply and demand by region that identifies areas with the highest need related to child care accessibility and affordability;
- identify trends in the relationship between private pay rates and subsidy rates for child care providers;
- include, to the extent possible, an analysis of the industry's quantitative or qualitative contribution to the state's economy; and
- include a facilities needs assessment to determine the type and number of child care facilities necessary to address unmet capacity needs for high quality child care programs.

State Employee Survey regarding Child Care. Within existing resources and survey measures, the Office of Financial Management (OFM), in partnership with the Office of Innovation, Alignment, and Accountability within DCYF and the Health Care Authority, must develop a survey for state employees in order to better understand issues affecting child care access and affordability for their families. The survey must be available by September 1, 2019 and must:

- identify the number of children who are receiving different types of care and whether it is paid in whole or in part with state subsidies;
- allow employees to describe challenges they face in accessing or paying for child care; and
- ask employees to provide their total annual income.

Commerce, OFM, and DCYF must analyze the survey data in certain ways, and it must be included in the regional assessment of the child care industry.

Child Care Collaborative Task Force. A number of modifications are made to the existing task force:

- adds DCYF as a joint convener of the task force;
- adds that the task force must evaluate the industry assessment;
- adds certain members to the task force;
- specifies that task force members who are licensed child care providers must be reimbursed for the cost of hiring a substitute;
- provides that members currently serving on the task force may continue to serve without reappointment; and
- extends the duration of the task force.

The task force has the following additional duties:

- develop a child care cost estimate model to determine the full costs providers incur when providing high quality child care;
- consider how the measure of state median income could be used in place of federal poverty level when determining eligibility for child care subsidy;
- evaluate recommendations from the Technical Work Group on Compensation including consideration of pay scale changes, to achieve pay parity with K-12 teachers by January 1, 2025;
- develop a phased implementation plan for certain policy changes to Working Connections Child Care; and
- develop recommendations on specified topics.

The task force must submit its findings, recommendations, and the phased implementation plan by December 1, 2020.

By June 1, 2021, the task force must submit a strategy, timeline, and implementation plan to reach the goal of accessible and affordable child care for all families by the year 2025.

Child Care Subsidy Rates. By January 1, 2025, DCYF must use the child care cost model, developed by the task force, to determine child care subsidy rates.

EFFECT OF EARLY LEARNING & K-12 EDUCATION COMMITTEE AMENDMENT(S):

- Adds that Commerce must collaborate with DCYF to ensure efficient use of available data and rigorous research methods and to assist with interpretation of data and report preparation.
- Adds that OFM develop a survey for state employees in order to better understand issues affecting child care access and affordability for state employees' families.

Appropriation: The bill contains a null and void clause requiring specific funding be provided in an omnibus appropriation act.

Fiscal Note: Available. New fiscal note requested on March 4, 2019.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Second Substitute House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Many children are not ready for kindergarten. Child care is early learning and all families should have access to affordable and high quality care. But many families are struggling to find child care and to pay the increasing cost. Infant care costs more than college tuition. This is an economic issue not just a parent issue. There are not enough child care facilities and this drives up the cost. Child care providers have to balance private pay rates with subsidy rates, which are too low. The private pay rate is increasing to offset the low subsidy rate. Child care educators have low wages especially compared to K-12 teachers. Investments in early learning and child care saves money on the backend such as the cost of juvenile justice programs and college remediation. This bill takes a step toward stabilizing the work force and child care market. This bill lays out a bold vision for increasing access to child care.

Persons Testifying: PRO: Representative Kristine Reeves, Prime Sponsor; Allison Krutsinger, Children's Alliance; Ryan Pricco, Child Care Aware of Washington; Lois Martin, Washington Child Care Association; Kirsten Lance, Owner, City Kids Child Care Development Center and Preschool.

Persons Signed In To Testify But Not Testifying: No one.