

# HOUSE BILL REPORT

## E2SHB 1152

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### As Amended by the Senate

**Title:** An act relating to early learning.

**Brief Description:** Creating a Washington early learning council.

**Sponsors:** By House Committee on Appropriations (originally sponsored by Representatives Kagi, Fromhold, Jarrett, Schual-Berke, Walsh, Quall, B. Sullivan, Grant, Ormsby, Kessler, Simpson, Moeller, Lovick, Roberts, Chase, Williams, P. Sullivan, Tom, Morrell, McIntire, Kenney, Haigh, McDermott, Dickerson, Santos and Linville).

### Brief History:

#### Committee Activity:

Children & Family Services: 1/27/05, 2/2/05 [DPS];

Appropriations: 2/14/05, 2/22/05 [DP2S(w/o sub CFS)].

#### Floor Activity:

Passed House: 3/9/05, 68-28.

Senate Amended.

Passed Senate: 4/14/05, 30-16.

### Brief Summary of Engrossed Second Substitute Bill

- Establishes the Washington Early Learning Council (Council).
- Requires the Council to:
  - make recommendations concerning statewide organization of early learning; make recommendations concerning the need for, funding of, and changes in existing early learning programs and services;
  - develop a voluntary, quality-based, graduated rating system and a tiered-reimbursement system for licensed child care; and
  - make recommendations concerning the regulation of child care.
- Requires the Department of Social and Health Services to implement the tiered-reimbursement system.
- Eliminates the Child Care Coordinating Committee.

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## HOUSE COMMITTEE ON CHILDREN & FAMILY SERVICES

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Kagi, Chair; Roberts, Vice Chair; Hinkle, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Darneille, Dickerson, Dunn, Haler and Pettigrew.

**Staff:** Cynthia Forland (786-7152).

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## HOUSE COMMITTEE ON APPROPRIATIONS

**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 Children & Family Services. Signed by 20 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Buri, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hinkle, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, McIntire, Miloscia, Schual-Berke and Walsh.

**Minority Report:** Do not pass. Signed by 8 members: Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Bailey, Clements, Pearson, Priest and Talcott.

**Staff:** Amy Skei (786-7140).

### **Background:**

In 2000, the Legislature directed the Office of Financial Management (OFM) to conduct a study of the best method for coordinating and consolidating child care and early education programs funded by the state. The Child Care and Early Learning Organizational Study, which the OFM produced in response, provided the following recommendations:

- adopt an umbrella mission statement that captures all child care and early learning programs;
- combine programs with similar or duplicate functions and missions;
- streamline the current configuration by reducing the number of state agencies involved in the child care licensing process;
- assign an interagency task force to examine and reduce the differences in program service standards; and
- coordinate training for providers regarding state agency rules by all programs.

In response to this report, the Office of the Governor undertook administrative action to consolidate child care and early learning programs in the state, the primary component of which was the creation of the Division of Child Care and Early Learning (DCCEL) within the Economic Services Administration in the Department of Social and Health Services (DSHS). Currently, child care and early learning programs in the state are administered through three state agencies: the DSHS, the Department of Community, Trade and Economic Development (CTED), and the Office of the Superintendent of Public Instruction (OSPI). The DCCEL within the DSHS licenses child care homes and centers, develops policy and procedures for the state's child care subsidy program, and directs the Head Start-State Collaboration Project. The CTED administers the Early Childhood Education and Assistance Program (ECEAP),

which is the state's preschool program. The OSPI administers services and programs relating to child care and early learning including family literacy programs, special education for children three years of age and older, and the nutrition assistance program for child care. Training and professional development programs for early learning professionals are available through such sources as the State Training and Registry System and the state's higher education institutions.

The Child Care Coordinating Committee was established in state law in order to provide coordination and communication among state agencies responsible for child care and early childhood education services, serve as an advisory coordinator for all state agencies responsible for early childhood or child care programs, and annually review state programs and make recommendations to state agencies and the Legislature to maximize funding and promote furtherance of the state's child care services policy.

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

The Washington Early Learning Council (Council) is established in the Office of the Governor for the purpose of providing vision, leadership, and direction to the improvement, realignment, and expansion of early learning programs and services for children birth to 5 years of age in order to better meet the early learning needs of children and their families. "Early learning programs and services" are defined to include the following: child care; state, private, and nonprofit preschool programs; child care subsidy programs; and training and professional development programs for early learning professionals. The goal of the Council is to build upon existing efforts and recommend new initiatives, as necessary, to create an adequately financed high-quality, accessible, and comprehensive early learning system that benefits all young children whose parents choose it.

#### *Early Learning Plan*

The Council is required to develop an early learning plan to improve the organization of early learning programs and services at the state level, and to improve the accessibility and quality of early learning programs and services throughout the state.

By November 15, 2005, the Council is required to make recommendations to the Governor and the appropriate committees of the Legislature concerning statewide organization of early learning.

The Council is also required to make recommendations to the Governor and the appropriate committees of the Legislature concerning the following:

- identification of current populations being served and potential populations to be served by early learning programs and services;
- the state's role in supporting quality early learning programs and services;
- appropriate levels and sources of stable and sustainable funding to meet statewide and local need for early learning programs and services, including public-private partnerships;
- changes in existing early learning programs and services, including the administration of those programs and services, to improve their efficiency, effectiveness, and quality;
- changes in existing early learning programs and services to ensure that the content is aligned with what children need to know and be able to do upon entering school;
- how to

maximize available early learning resources to ensure children are receiving continuity of care; and providing for smooth transitions from early learning programs and services to K-12 programs.

As provided in the bill, the Council is required to focus on quality improvements to licensed child care through the following mechanisms:

- voluntary, quality-based, graduated rating system to provide information to parents on the quality of child care programs and to provide resources and incentives for quality improvements; and
- tiered-reimbursement system for state-subsidized child care to improve the quality of care for children participating in state-funded care.

The Council is required to make recommendations to the Governor and the appropriate committees of the Legislature concerning the regulation of child care, including child care that is exempt from regulation and unlicensed child care that is subject to regulation, in order to ensure the safety, health, quality, and accessibility of child care services throughout the state.

The Council is to serve as the Advisory Committee on Early Learning (Advisory Committee) to the Comprehensive Education Study Steering Committee (Steering Committee), created in Substitute House Bill No. 1380 of 2005, and the nongovernmental co-chair of the Council is to serve as the chair of the Advisory Committee. The Council must have input on the recommendations developed by the Steering Committee.

The Council is required to make use of existing reports, research, planning efforts, and programs, including, but not limited to, the following: the federal Early Head Start program, the federal Head Start program, the state Early Childhood Education and Assistance Program, the state's Essential Academic Learning Requirements and K-3 Grade Level Expectations, the Washington State Early Learning and Development Benchmarks, existing tiered-reimbursement initiatives, the state's Early Childhood Comprehensive Systems Plan, and the work of the Child Care Coordinating Committee.

#### *Quality Rating System*

The Council is required to develop a voluntary, quality-based, graduated rating system consisting of levels of quality to be achieved by licensed child care providers. In developing the voluntary rating system, the Council must seek to build upon existing partnerships and initiate new partnerships between the public and private sectors.

In developing the voluntary rating system, the Council must establish a system of tiers as the basis for the rating system's levels of quality. In developing the system of tiers, the Council must take into consideration the following quality criteria:

- child-to-staff ratios;
- group size;
- learning environment;
- curriculum;
- parent and family involvement and support;

- staff qualifications and training;
- staff professional development;
- staff compensation, including wage progression based on formal education;
- staff stability;
- accreditation;
- program evaluation; and
- program administrative policies and procedures.

In developing the voluntary rating system, the Council is also required to establish quality assurance measures as well as a mechanism for system evaluation.

In developing the voluntary rating system, the Council is required to make recommendations concerning both initial and subsequent statewide implementation of the rating system, including the following:

- potential implementing entities;
- sources of funding for implementation;
- necessary infrastructure for facilitating and supporting participation in the rating system, including assistance necessary to help providers progress up the tiers; and
- strategies for raising public awareness of the rating system.

The Council is required to complete initial development of the voluntary rating system by December 1, 2005, and complete development by December 1, 2006. The Council is required to submit the voluntary rating system to the Governor and the appropriate fiscal and policy committees of the Legislature by January 1, 2007. If no action is taken by the Legislature by the end of the 2007 regular legislative session, the Council may begin initial implementation of the voluntary rating system, subject to available funding.

#### *Tiered-Reimbursement System*

The Council is required to develop a tiered-reimbursement system that provides higher rates of reimbursement for state-subsidized child care for licensed child care providers that achieve one or more levels of quality above basic licensing requirements in accordance with the voluntary quality-based graduated rating system developed by the Council.

In developing the tiered-reimbursement system, the Council must review existing tiered-reimbursement initiatives in the state and integrate those initiatives into the tiered-reimbursement system.

The Council is required to complete initial development of the tiered-reimbursement system by December 1, 2005, to be implemented in two pilot sites in different geographic regions of the state with demonstrated public-private partnerships. The Council is required to complete development of the tiered-reimbursement system by December 1, 2006, to be implemented statewide, subject to the availability of amounts appropriated by the Legislature for this specific purpose.

Subject to the availability of amounts appropriated for this specific purpose, the DSHS is required to implement the tiered-reimbursement system developed by the Council.

Implementation of the tiered-reimbursement system is to initially consist of two pilot sites in different geographic regions of the state with demonstrated public-private partnerships, with statewide implementation to follow.

In implementing the tiered-reimbursement system, consideration must be given to child care providers who provide staff wage progression.

The DSHS is required to begin implementation of the two pilot sites by March 30, 2006.

*Membership of the Washington Early Learning Council*

The Council must include representation from public, nonprofit, and for-profit entities, and its membership must reflect regional, racial, and cultural diversity to ensure representation of the needs of all children and families in the state. The Council is to consist of 17 members, as follows:

- one representative each of the Office of the Governor, the DSHS, the Department of Health, and the State Board for Community and Technical Colleges, appointed by the Governor;
- one representative of the OSPI, appointed by the Superintendent of Public Instruction;
- two representatives of private business and two representatives of philanthropy, appointed by the Governor;
- four individuals who have demonstrated leadership and engagement in the field of early learning, appointed by the Governor; and
- two members of the House of Representatives appointed by the Speaker of the House of Representatives, one of whom must be a member of the majority caucus and one of whom must be a member of the minority caucus, and two members of the Senate appointed by the President of the Senate, one of whom must be a member of the majority caucus and one of whom must be a member of the minority caucus.

The Council is to be co-chaired by the representative of the Office of the Governor and a non-governmental member designated by the Governor.

Members of the Council must be compensated as a class three group and reimbursed for travel expenses in accordance with state law.

The Governor may employ an executive director, who is exempt from the provisions of the state Civil Service law, and such other staff as is necessary to carry out the purposes of this chapter. The Governor is to fix the salary of the executive director in accordance with state law.

The Council is required to monitor and measure its progress and regularly report, as appropriate, to the Governor and the appropriate committees of the Legislature on the progress, findings, and recommendations of the Council.

The Council is required to establish one or more technical advisory committees, as needed. Membership of such advisory committees may include the following: representatives of any state agency the Council deems appropriate, including the Higher Education Coordinating

Board and the State Board for Community and Technical Colleges; family home child care providers, child care center providers, and college or university child care providers; parents; early childhood development experts; representatives of school districts and teachers involved in the provision of child care and preschool programs; representatives of Resource and Referral programs; parent education specialists; pediatric or other health professionals; representatives of citizen groups concerned with child care and early learning; representatives of labor organizations; representatives of private business; and representatives of Head Start and ECEAP agencies.

*Child Care Coordinating Committee*

The Child Care Coordinating Committee is removed from state law.

Other Provisions

The bill is null and void unless funded in the state operating budget.

The sections of the bill relating to the Council expire July 1, 2007.

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

Replaces a reference to Substitute House Bill No. 1380, which relates to studying early learning, K-12, and higher education, with a reference to Engrossed Second Substitute Senate Bill No. 5441, which is the Senate companion to that bill.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately. However, the bill is null and void unless funded in the budget.

**Testimony For:** (Children & Family Services) (In support) A lot of good work is going on related to early learning in communities across the state, almost in spite of the state, which has not provided leadership in this area. We need to focus our efforts on improving the quality of care, providing better support for parents and providers, and building on the partnerships that have already been formed in communities between the public and private sectors. This bill is the next step in investing in early learning, building upon the groundwork that has already been laid in the state. Important elements of the bill include establishing a governance structure, including a public-private partnership, and establishing a quality rating system. This bill takes the essential first step by establishing a unifying, statewide council to bring the necessary focus and illumination to these issues. The bill hits three sane and sound themes: building on the existing public-private partnerships in this state; building on the local work of communities; and rooting the development of options in what parents need.

(With comments) Investment in the early years, in terms of high-quality care, play out in educational attainment, less criminality, and greater lifelong success in employment and personal relationships. This should also be seen as an opportunity to strengthen parenting as well as building partnerships between parents and child care providers. The bill has the right

focus, on access for low-income children, quality, high standards, and professional development. The bill identifies the right mix of participants across sectors. The bill recognizes the importance of increased community engagement. The quality rating and tiered-reimbursement systems are essential to what we are trying to do, but reimbursement rates need to be raised. They should be closer to the 75th percentile. The two most attractive elements of the bill are the quality rating and tiered-reimbursement systems. Putting a rating system in the hands of parents, caretakers, and providers will enable individuals to make informed decisions about early learning. A tiered-reimbursement system will give incentives to providers to increase quality. However, the tools provided in the bill are moot if we do not look at the basic subsidy rate. The key components that support better quality are support of education of the providers, provision of financial support directly to the provider, community support through an advisory council, and evaluation. It is about time that early learning becomes a priority in the state. The base subsidy rates need to be raised. They should be at the 75th percentile. The top two indicators of quality are staff education and staff longevity, which current funding levels do not support. This bill addresses quality and the resources available to parents concerning the quality of providers, which is important. The current subsidy rate is lacking, and funding must be provided to retain staff.

(With amendments) The early learning programs and services in the bill should not be limited to children from birth to five years of age, but should be identified as for children "beginning at birth" so that the Council may address issues related to programs and services for children up to 13 years of age. Language should be added to the bill concerning resources for providers and adequate financing in order to be able to implement quality improvements. The newly revised Child Care Coordinating Committee (Coordinating Committee) should not be eliminated. It should be allowed to continue to play its valuable role as a ground-level, grassroots, public-private partnership, and serve as the technical advisory committee to the Council with staff shared between the Council and the Coordinating Committee. Individuals across the state see the Coordinating Committee as their voice on these issues. Family support is missing from the quality criteria in the bill. Membership of the technical advisory committee should include parents. The Division of Child Care and Early Learning (DCCEL) should be placed under the Governor's watch. Parents should be included in the membership of the Council. There should be outside audits of the DCCEL.

(Neutral) Our current system is perilously underfunded and undervalued. Both tiered reimbursement and ratings systems appear to be effective ways to incentivize quality improvements in the child care system, particularly for child care facilities that serve low-income children. However, the base child care subsidy rates need to be raised, and funding and technical assistance will be needed as part of the rating system. This is an opportune time to advance these issues in this state. There are three key factors in creating early learning governance structures and plans: establishing a high-level, visible, public-private body with sufficient power; making a commitment to build on what is already working and then add new initiatives; and creating public-private partnerships. State and local roles must be defined and effectively balanced. There must be mechanisms for local input in the work of the Council. We need to look to developing a continuum of education including early learning, K-12, and higher education.



**Testimony For:** (Appropriations) State leadership is needed in the area of early learning. At the state level, early learning responsibilities are currently fragmented across parts of DSHS, CTED, and OSPI. Many creative early learning initiatives are underway between private business and philanthropic groups despite the lack of coherent government structure in this area. State leadership in this area would build on these existing efforts. The public/private partnership approach used in this bill is important, especially since there is a lot of interest in the private sector in this topic. While the state's long-term commitment to early learning is appreciated, the lack of a clear state presence in the current system makes it confusing for K-12 workers. There is a positive connection between quality early learning experiences and the experiences one has later in life, including improved relationships and job success. Studies show that good child care is good for kids and bad child care is bad for kids. Factors include group size, teacher-to-student ratio, teacher pay, and teacher length of stay on the job. The problem for parents is how to distinguish between high- and low-quality care. The child care quality rating system would provide an important customer service.

**Testimony Against:** (Children & Family Services) None.

**Testimony Against:** (Appropriations) None.

**Persons Testifying:** (Children & Family Services) (In support) Representative Kagi, prime sponsor; Joyce Walters, Boeing; Mark Usdane, League of Education Voters; and Lynn B. Wirta, Small Faces Child Development Center.

(With comments): Bridgett Chandler, Talaris; Garman Lutz, Spokane County United Way; Kip Tokuda, City of Seattle; Kathy Thamm, Family Care Resources and HIP Spokane; Nancy Gerber, Spokane Family Child Care Provider and SEIU; Steve Olson, Olympia Child Care Center; and Colleen Hill, Childcare Workforce Alliance of Washington and American Federation of Teachers.

(With amendments): Agda Burchard, Washington Association for the Education of Young Children/Collaborative; Robin Boehler, Child Care Coordinating Committee and National Council of Jewish Women; and Margo Logan, private citizen.

(Neutral): Greg Shaw, Gates Foundation; and Bea Kelleigh, Early Care and Education Coalition.

**Persons Testifying:** (Appropriations) Representative Kagi, prime sponsor; Rhodes Lockwood, Washington Education of Young Children Collaborative; Bridgett Chandler, Talaris Research Institute; Joyce Walters, Boeing; Cliff Lawrence, Wells Fargo Bank; and Jada Ruply, Educational Service District 112.

**Persons Signed In To Testify But Not Testifying:** (Children & Family Services) Elizabeth Bonbright Thompson, Washington State Child Care Resource and Referral Network; Rachael Langen, Division of Child Care and Early Learning; Esther Ames, YWCA of Seattle, King County, and Snohomish County; Greg Williamson, Office of Superintendent of Public Instruction; *Stu Jacobson, Washington Parents for Safe Child Care*; and Jada Rupley, ESD 112.

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