

SENATE BILL REPORT

SB 5595

As of February 15, 2013

Title: An act relating to child care reform.

Brief Description: Concerning child care reform.

Sponsors: Senators Billig, Litzow, Darneille, Fain, Hargrove, McAuliffe, Harper, Nelson, Hobbs, Mullet, Frockt, Cleveland, Rolfes, Kohl-Welles, Shin, Kline and Conway.

Brief History:

Committee Activity: Human Services & Corrections: 2/18/13.

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Staff: Shani Bauer (786-7468)

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. Subsidy payments go directly to child care providers. Families make a co-payment to receive child care while they work or receive training for work. Co-pays for WCCC are currently \$15 for families with income between 0 and 82 percent of the federal poverty line; \$65 for income between 82 and 137.5 percent of the federal poverty line; and \$65 plus a multiplier of one-half for every dollar of income over 137.5 percent of the federal poverty line. A person receiving WCCC while receiving training for work is generally limited to basic education or vocational training.

The Department of Early Learning (DEL) has the authority to establish and implement policies in WCCC. The Department of Social and Health Services (DSHS) has the responsibility for verifying a family's eligibility to receive WCCC subsidies.

In 2007, the Legislature required DEL to establish a voluntary quality rating and improvement system applicable to licensed or certified child care centers and homes, and early education programs. In response, DEL worked with the University of Washington to develop the Early Achievers program. Early Achievers establishes a common set of expectations and standards that define, measure, and improve the quality of early learning settings. All WCCC providers have the option of participating in Early Achievers.

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.

In 2010, the Legislature required DEL to coordinate with DSHS and contract with an independent consultant to evaluate and recommend the optimum system for the eligibility determination process. The evaluation was to include an analysis of lean management processes that, if adopted, could improve the cost effectiveness and delivery of eligibility determination. The Aclara Group delivered its report to DEL on October 31, 2012.

Summary of Bill: Early Achievers is defined as a program supporting and rewarding child care providers for providing high-quality child care. All licensed and certified child care programs are eligible to participate, but participation is voluntary. Five levels of quality standards are outlined.

DEL must establish and implement policies in WCCC to promote stability and quality of care for children from low-income households. Policies must be consistent with outcome measures currently defined in statute and standards outlined in this section. Beginning in fiscal year 2013, authorizations for WCCC subsidies must be effective for 12 months. Beginning July 1, 2013, DEL must increase the WCCC subsidy by 10 percent and return co-pays to the levels in effect on July 1, 2010. Also beginning July 1, 2013, providers of WCCC must receive a 5 percent per child increase in the subsidy rate for achieving level two in the Early Achievers program.

An applicant may be eligible for WCCC for participating in the following educational activities: four-year bachelor's degree programs; vocational and training programs; two-year associate degree programs; and worker retraining programs.

A child care consumer and provider bill of rights is outlined and includes guidance such as timeframes for returning phone calls, electronic submission of forms, and professionalism training for employees. DEL must convene a Parent and Provider Oversight Board to listen to issues raised by consumers and recommend policy changes.

A legislative taskforce is established to examine the tiered reimbursement model, child care enrollment procedures, eligibility requirement rules, and opportunities for child care expansion. Membership is prescribed. Recommendations must be provided to the Governor and the Legislature no later than December 31, 2013.

The Legislature finds that the recommendations in the Aclara Group report will result in streamlining the child care system to improve access and customer service and should be followed. By December 1, 2013, DEL and DSHS must:

- eliminate the current custody/visitation policy and design a flexible subsidy system;
- create broad authorization categories to account for minor changes in parents' work schedules;
- eliminate the activity schedule and reduce the number of minor changes families must report; and
- simplify the requirement to count child support as income.

Appropriation: None.

Fiscal Note: Requested on February 7, 2013.

Committee/Commission/Task Force Created: Yes.

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