

# HOUSE BILL REPORT

## HB 2816

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

**Title:** An act relating to transferring all aspects of working connections child care and seasonal child care service delivery to the department of children, youth, and families, based on the recommendations required to be reported to the legislature pursuant to section 103, chapter 6, Laws of 2017 3rd sp. sess.

**Brief Description:** Transferring the working connections and seasonal child care programs to the department of children, youth, and families.

**Sponsors:** Representatives Senn, Dent, Kagi, Muri and Appleton.

**Brief History:**

**Committee Activity:**

Early Learning & Human Services: 1/23/18, 1/24/18 [DP];  
Appropriations: 2/3/18, 2/6/18 [DP].

**Brief Summary of Bill**

- Assigns all powers, duties, and functions related to the Working Connections and Seasonal Child Care programs to the Department of Children, Youth, and Families.

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### HOUSE COMMITTEE ON EARLY LEARNING & HUMAN SERVICES

**Majority Report:** Do pass. Signed by 12 members: Representatives Kagi, Chair; Senn, Vice Chair; Dent, Ranking Minority Member; Eslick, Frame, Goodman, Griffey, Kilduff, Klippert, Lovick, Muri and Ortiz-Self.

**Minority Report:** Without recommendation. Signed by 1 member: Representative McCaslin, Assistant Ranking Minority Member.

**Staff:** Dawn Eychaner (786-7135).

**Background:**

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*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.*

### Subsidized Child Care Programs.

Subsidized child care programs include the Working Connections Child Care (WCCC) program and the Seasonal Child Care (SCC) program. The Department of Early Learning (DEL) sets policy for child care subsidy programs, and the Department of Social and Health Services (DSHS) determines eligibility and issues subsidy payments to providers. To receive authorizations for 12 months of child care subsidy, eligible families must have household incomes at or below 200 percent of the federal poverty level. Depending on income, the family may be required to pay a copayment to their child care provider.

#### *Working Connections Child Care.*

The average monthly caseload of the WCCC cannot exceed 33,000 households, and the DSHS must prioritize certain groups for services. These groups include families applying for or receiving Temporary Assistance for Needy Families (TANF) benefits; families curing TANF sanction; foster children; children with special needs; minor parents attending high school full time; families receiving child welfare services; child protective services or a family assessment response; and families who have received WCCC subsidy within the past 30 days and are reapplying for the program.

The WCCC may be provided by licensed child care centers, licensed family homes, or by in-home/relative providers also referred to as Family, Friend, and Neighbor providers. Parents receiving WCCC must be working or participating in a DSHS-approved activity.

#### *Seasonal Child Care.*

The SCC program provides subsidized child care to seasonally employed agricultural workers in Adams, Benton, Chelan, Douglas, Franklin, Grant, Kittitas, Okanogan, Skagit, Walla Walla, Whatcom, and Yakima counties.

The SCC may be provided in licensed child care centers or in licensed family homes. In fiscal year 2017, 927 families received SCC.

### Department of Children, Youth, and Families.

The 2017 Legislature required the Department of Children, Youth, and Families (DCYF) to submit a report to the Governor and the Legislature outlining a plan for transferring the WCCC program into the DCYF by July 1, 2019. This report, submitted jointly by the DCYF, the DEL, and the DSHS, includes a plan for transferring eligibility staff, the treatment of shared client data, information technology systems, phone systems, staff training, federal cost allocation, and service delivery for the subsidized child care programs from the DSHS to the DCYF.

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### **Summary of Bill:**

Effective July 1, 2019, all powers, duties, and functions of the DSHS pertaining to the WCCC and SCC programs are transferred to the DCYF. The transfer includes:

- all tangible property used in carrying out the program functions, including office equipment, reports, records, and files;

- any appropriations made to DSHS for the programs' administration. If apportionments of budget funds are required due to the transfers, the Director of the Office of Financial Management must certify the apportionment to the affected agencies, the State Auditor, and the State Treasurer;
- employees engaged in performing program functions. Employees classified under state civil service law are assigned to the DCYF without any loss of rights. Employees whose positions are within an existing bargaining unit description at the DCYF must become part of that bargaining unit; and
- all rules and pending business before the DSHS pertaining to the programs are continued and to be acted upon by the DCYF.

The DCYF assumes all program responsibilities for the WCCC and the SCC, including determinations of program eligibility, providing services to parents applying for or receiving benefits, making payments to providers, and establishing and monitoring program outcome measures.

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**Appropriation:** None.

**Fiscal Note:** Requested on January 16, 2018.

**Effective Date:** The bill takes effect on July 1, 2019.

**Staff Summary of Public Testimony:**

(In support) A couple of years ago, the Legislature extended authorizations for WCCC for up to 12 months, and there was a smaller uptake than expected. When legislators asked the DEL to send a letter to eligible families notifying them of the program, the response from the DEL was that the DEL could not do this because the information for eligible families was held by the DSHS. This is one illustration of why it is important to have all the administration of these programs in one department. This provides the opportunity to braid together in a single entity responsibilities for programs related to reducing intergenerational poverty. Means-tested programs are still separated and will be a bit more separated at the Economic Services Administration (ESA) of the DSHS as a result of this proposal. While this has the benefit of addressing client issues, it also creates tension. The DSHS still has the responsibility to enter into memorandums of understanding with the DCYF as the agencies share clients in common and need to share information in common as they are able, subject to federal and state limitations. Changing the language will clarify that the transfer only applies to staff who are solely engaged in the WCCC and the SCC programs. The DSHS still needs to manage the TANF grant and associated TANF Maintenance of Effort (MOE) spending. The DSHS has continued accountability to the federal government on meeting MOE requirements and would like to be cautious about the language used in the bill. As programs are moved out of the DSHS, some efficiencies may be created, but there may be additional capital investment required for the DCYF that will not reduce the needs in the DSHS. This will bring stability to families and to providers. It is imperative to maintain what is currently working for the ESA, as this is part of a portfolio of services they offer to families in the state.

(Opposed) None.

**Persons Testifying:** Representative Senn, prime sponsor; David Stillman, Department of Social and Health Services; and Frank Ordway, Department of Early Learning.

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

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 31 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Bergquist, Buys, Caldier, Cody, Condotta, Fitzgibbon, Graves, Haler, Hansen, Harris, Hudgins, Jinkins, Kagi, Lytton, Manweller, Pettigrew, Pollet, Sawyer, Schmick, Senn, Stanford, Sullivan, Tharinger, Vick, Volz and Wilcox.

**Minority Report:** Do not pass. Signed by 1 member: Representative Taylor.

**Staff:** Kelci Karl-Robinson (786-7116).

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

No new changes were recommended.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on July 1, 2019.

### **Staff Summary of Public Testimony:**

(In support) This bill will consolidate the WCCC program under one roof, which should improve efficiency and customer service.

(Opposed) None.

**Persons Testifying:** Representative Senn, prime sponsor.

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