

FINAL BILL REPORT

2SHB 1344

C 368 L 19
Synopsis as Enacted

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).

House Committee on Human Services & Early Learning
House Committee on Appropriations
Senate Committee on Early Learning & K-12 Education
Senate Committee on Ways & Means

Background:

Department of Commerce.

The Department of Commerce (COM) administers the Child Care Collaborative Task Force (CCCTF). The CCCTF is tasked with examining the effects of child care affordability and accessibility on the workforce and on businesses and must report recommendations to the Governor and Legislature by November 1, 2019 regarding incentivizing employer-supported child care and improving child care access and affordability. The CCCTF expires on December 30, 2019.

Child Care Workforce Development Technical Work Group.

In 2018 the Department of Children, Youth, and Families (DCYF) convened a Child Care Workforce Development Technical Work Group (Technical Work Group) to develop recommendations to support increased wages for child care providers, reduce turnover, enable child care providers to recruit more qualified educators, and maintain the diversity of the current workforce. The Technical Work Group's report with recommendations and an implementation plan was due to the Governor and the Legislature by December 1, 2018.

Working Connections Child Care.

To be eligible for subsidized child care through the Working Connections Child Care (WCCC) program, an applicant must have a household income at or below 200 percent of the federal poverty level (FPL) and be engaged in approved work activities unless the family has received child welfare, child protective, or family assessment response services in the previous six months. Historically, the average monthly caseload of the WCCC program has

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been capped in the state operating budget at 33,000 households and certain populations have been identified for priority in the event of a waitlist.

Summary:

Child Care Data Collection and Reporting.

The COM must solicit one or more third parties to conduct a regional assessment of the child care industry in partnership with a statewide organization representing parents. The goal of the assessment is to better understand issues affecting child care access and affordability for families. The assessment must be submitted to the Governor, the Legislature, and the CCCTF by July 1, 2020, and must:

- include demographic data on child care providers and the families and children receiving care from various types of providers;
- define and describe characteristics of the informal child care market;
- identify family child care choices by income bracket;
- include a visual representation of child care supply and demand by region;
- identify trends in the relationship between private pay rates and subsidy rates;
- analyze the industry's measurable contribution to the state's economy; and
- include a facilities needs assessment to address unmet capacity needs.

The COM may use a combination of private and public funds to conduct the assessment. The COM must collaborate with the DCYF's Office of Innovation, Alignment, and Accountability (OIAA) to use available data and rigorous research methods. The OIAA must assist with the preparation of the assessment.

The Office of Financial Management must partner with the COM, the OIAA, and the Health Care Authority to develop a survey of child care access and affordability issues for executive branch agency employees. The survey must be made available to employees with children ages 12 and under by January 15, 2020. An analysis of the survey data is to be included with the child care industry assessment report required of the COM by July 1, 2020.

Child Care Collaborative Task Force.

The CCCTF must be jointly convened by the COM and the DCYF. The CCCTF membership is modified to:

- add a representative from the Technical Work Group, an early learning policy expert, and a representative of an organization of early learning providers focused on preserving languages and culture by serving immigrant and refugee communities;
- remove representatives of the Employment Security Department; the Department of Revenue; the Department of Social and Health Services; private business and economic development organizations; statewide transit interests; an institution of higher education; and a nonprofit providing professional development for family child care and family, friend, and neighbor child care providers;
- require the DCYF representative to have expertise in child care subsidy policy; and
- designate legislative members as voting members.

The expiration date of the CCCTF is extended to July 1, 2021. Members serving on the CCCTF as of January 1, 2019, may continue to serve without reappointment.

Task Force Duties.

The CCCTF must:

- develop a child care cost estimate model to determine the full costs providers incur when providing high quality child care, including recommended teacher-child ratios based on research and best practices. The model must include regional differences, employee salaries and benefits, enrollment levels, facility costs, and costs associated with regulatory and statutory requirements including quality rating system participation. The model must use existing data and research available and must consider differentiating subsidy rates by child age and region;
- consider how the measure of the state median income (SMI) could be used in place of the FPL when determining eligibility for child care subsidies;
- evaluate recommendations from the Technical Work Group, including consideration of pay scale changes to achieve pay parity with kindergarten through twelfth grade (K-12) teachers by January 1, 2025, and further develop policy recommendations for the DCYF. Policy recommendations must:
 - endeavor to preserve and increase racial and ethnic equity and diversity in the child care workforce and recognize cultural competency and multilingualism;
 - include a salary floor that supports recruitment and retention of a qualified workforce in every early learning setting;
 - index salaries for providers against salaries of specified early learning professional job categories;
 - incentivize advancements in higher education credentials and equivalencies, training, and years of experience;
 - consider credential equivalencies;
 - consider a provider's years of experience in the field and at his or her current site;
 - differentiate subsidy rates by region; and
 - provide additional investments for providers serving certain populations or demonstrating additional linguistic or cultural competency; and
- develop a phased implementation plan for policy changes to the WCCC. The implementation plan must focus on children and families furthest from opportunity as defined by income, recommend targeted supports for providers serving underserved children, and emphasize greater racial equity. Implementation plan components must include:
 - increasing income limits for the WCCC program to 300 percent of the FPL or 85 percent of the SMI;
 - establishing a graduated system of copayments that eliminates the cliff effect and limits the amount a family pays for child care to a maximum of 7 percent of the family's income by January 1, 2025;
 - developing a contracted slots model for WCCC payments;
 - eliminating work requirements for student families participating in the WCCC program; and
 - eliminating the fiscal cap on WCCC enrollment.

The CCCTF must submit its findings and required implementation plan to the Governor and the Legislature by December 1, 2020.

By June 1, 2021, the CCCTF must deliver to the Governor and Legislature a strategy, timeline, and implementation plan to reach the goal of accessible and affordable child care for all families by 2025.

Department of Children, Youth, and Families.

By January 1, 2025, the DCYF must use the child care cost estimate model developed by the CCCTF to determine child care subsidy rates.

Votes on Final Passage:

House	72	24	
Senate	25	20	(Senate amended)
House	75	19	(House concurred)

Effective: July 28, 2019