

HOUSE BILL REPORT

HB 1392

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

Title: An act relating to establishing the cost of child care regulations work group.

Brief Description: Establishing the cost of child care regulations work group.

Sponsors: Representatives Dent, Senn, Griffey, McCaslin, Frame, Chandler, Kilduff, Lovick, Appleton, Eslick and Reeves.

Brief History:

Committee Activity:

Human Services & Early Learning: 1/23/19, 2/8/19 [DPS].

Brief Summary of Substitute Bill

- Establishes the Cost of Child Care Regulations Work Group.

HOUSE COMMITTEE ON HUMAN SERVICES & EARLY LEARNING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Senn, Chair; Callan, Vice Chair; Frame, Vice Chair; Dent, Ranking Minority Member; Eslick, Assistant Ranking Minority Member; McCaslin, Assistant Ranking Minority Member; Corry, Goodman, Kilduff, Klippert, Lovick and Ortiz-Self.

Staff: Dawn Eychaner (786-7135).

Background:

Child Care Licensing Standards.

The Department of Children, Youth, and Families (DCYF) regulates child care licensing and is responsible for maintaining a set of core competencies for child care and early learning providers. The 2015 Legislature required the DCYF to adopt rules to implement a single set of licensing standards. The revised licensing standards must provide minimum health and safety standards for childcare and preschool programs, rely on the standards established in the Early Achievers (EA) program to address quality issues, take into account the separate

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needs of family care providers and child care centers, and promote the continued safety of childcare settings. The DCYF adopted the updated licensing standards in rule in 2018, including new continuing and higher education requirements for providers.

Small Business Impacts Statements.

The Regulatory Fairness Act requires an agency to develop a small business economic impact statement if a rule it is adopting will impose more than minor costs on businesses in an industry. If the small business economic impact statement shows that a rule will have a disproportionate impact on small businesses, the agency must, where legal and feasible, reduce the costs imposed by the rule on small businesses.

Early Achievers.

The EA program is Washington's Quality Rating and Improvement System for child care and early learning. The DCYF administers the program. The quality of care is assigned a rating on a scale of one to five, with Level 1 being the minimum requirements for licensing, and Level 5 being the highest possible level of quality. Participation in the EA program is mandatory for all providers serving non-school-age children and accepting state subsidy payments.

Joint Select Committee on the Early Achievers Program.

The Legislature established the Joint Select Committee on the EA Program (Committee) to review the demand and availability of various types of child care and early learning programs and make recommendations related to the EA program.

In January 2019 the Committee adopted recommendations, including a recommendation to create a legislative and stakeholder work group to weigh the costs and benefits of child care regulations and EA requirements.

Summary of Substitute Bill:

The Cost of Child Care Regulations Work Group (Work Group) is established to study:

- financial impacts of licensing regulations on child care businesses;
- direct and indirect financial costs to child care providers that are associated with participation in the EA program;
- benefits to providers associated with participation in the EA program; and
- available health, safety, and education outcome data for children and families engaged in EA programs.

The study must include an analysis of costs associated with licensing and EA requirements that may have a disproportionate economic impact on child care businesses located in rural areas.

The Secretary of the DCYF must convene the first Work Group meeting by July 1, 2019, and the DCYF must provide staff support to the Work Group. The Work Group must meet at least five times by November 30, 2019, and must convene at least two of the five meetings in Eastern Washington.

Work Group membership consists of:

- three licensed family home child care providers selected by a statewide organization representing the interests of family child care providers. At least one of these providers must provide care for children of agricultural workers, speak Spanish as a first language, or be located in Eastern Washington;
- three licensed child care center providers selected by a statewide organization representing the interests of licensed child care centers. At least one of these providers must provide care for children of agricultural workers, speak Spanish as a first language, or be located in Eastern Washington;
- two foster parents selected by a statewide organization solely focused on supporting foster parents. At least one foster parent must reside in Eastern Washington; and
- four legislators, consisting of two Members of the House of Representatives (House) representing each of the two largest caucuses in the House, and two Senators representing each of the two largest caucuses in the Senate.

The Work Group must elect one legislator and one citizen member to serve as co-chairs.

The Work Group may seek input and collaborate with other parties, including contracting with additional persons with technical expertise if such expertise is necessary. The Work Group may only enter into such a contract if funding is appropriated for this specific purpose.

The Work Group must submit findings and recommendations to the Governor and the Legislature by December 31, 2019, and expires January 10, 2020.

Substitute Bill Compared to Original Bill:

The substitute bill specifies that direct and indirect costs to child care providers are financial costs and adds a requirement for the Work Group to study benefits to providers associated with EA program participation and review available outcome data for children and families.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 8, 2019.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Provider costs keep going up as regulations go up. Subsidies are not going up along with the cost. Many subsidy providers are choosing to accept only private pay. Allowing family child care providers to cover the cost of bringing in a substitute for the Work Group participation should be considered. The true cost of what providers are asked to do as they implement things meant to increase the quality of care for children should be looked at. The demand for infant care is high, and centers have been closing. Regulations

for initial licensing are very costly. There are contradictions between the DCYF, the State Fire Marshal's Office, and local building regulations, and it is costly for a provider to jump through those hoops to become licensed. This Work Group can bring light to costs providers are bearing while going through the licensing process.

(Opposed) None.

Persons Testifying: Representative Dent, prime sponsor; Pauli Owen, Service Employees International Union 925; Nicole Rose, Department of Children, Youth, and Families; and Katie Hudkins, Washington Childcare Centers Association.

Persons Signed In To Testify But Not Testifying: None.