

HOUSE BILL REPORT

SHB 1636

As Amended by the Senate

Title: An act relating to child care workers.

Brief Description: Adopting a wage ladder for child care workers.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Pettigrew, Roberts, Kagi, Clements, Darneille, Hunt, Green, Kenney, Appleton, Chase, Jarrett, Kessler, Moeller, Morrell, Williams, Ormsby, Murray, Dickerson, Conway, Lantz, Wood, Haigh, McDermott, Santos and Hudgins).

Brief History:

Committee Activity:

Children & Family Services: 2/10/05, 2/16/05 [DP];

Appropriations: 3/5/05 [DPS].

Floor Activity:

Passed House: 3/11/05, 59-34.

Senate Amended.

Passed Senate: 4/7/05, 27-22.

Brief Summary of Substitute Bill

- Requires the Department of Social and Health Services to establish a child care career and wage ladder, subject to available appropriations.

HOUSE COMMITTEE ON CHILDREN & FAMILY SERVICES

Majority Report: Do pass. Signed by 5 members: Representatives Kagi, Chair; Roberts, Vice Chair; Darneille; Dickerson; and Pettigrew.

Minority Report: Do not pass. Signed by 4 members: Representatives Hinkle, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Dunn; and Haler.

Staff: Cynthia Forland (786-7152).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, Miloscia and Schual-Berke.

Minority Report: Do not pass. Signed by 12 members: Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Clements, Hinkle, Pearson, Priest, Talcott and Walsh.

Staff: Amy Skei (786-7140).

Background:

In July 2000, the state instituted a Child Care Career and Wage Ladder Pilot Project (Pilot Project), which was funded by Temporary Assistance for Needy Families (TANF) reinvestment funds. The purpose of the Pilot Project was to enable child care centers to increase wages and offer benefits for child care workers and to encourage child care workers to obtain further education.

The Pilot Project emphasized worker education, responsibilities, and experience, and consisted of the following:

- wage increments of 50 cents for education beyond state regulatory requirements, paid by the state;
- wage increments of 50 cents for levels of responsibility, paid by the child care centers; and
- wage increments of 25 cents for years of experience, paid jointly by the state and child care centers.

In order to participate in the Pilot Project, child care centers had to meet the following criteria:

- at least 10 percent of child capacity in state-subsidized child care programs;
- provide employees with 12 days paid leave; and
- provide employees with assistance with medical premiums of up to \$25 per month.

Prior to elimination of the Pilot Project in June 2003, the Pilot Project included 120 child care centers, 1,500 child care workers, and 8,700 children served. An evaluation of the Pilot Project conducted by Washington State University found the following:

- Wages for all positions at pilot child care centers were higher than non-pilot comparison centers.
- More pilot child care centers provided their employees with benefits than non-pilot comparison centers, both with respect to benefits required for participation in the Pilot Project and benefits not required for participation in the Pilot Project.
- Educational attainment of employees of pilot child care centers was greater than that of non-pilot centers, with more employees at the pilot centers having earned a bachelor's degree, master's degree, or some early childhood education credits and fewer employees at the pilot centers having completed no college study.
- Employees of pilot child care centers pursued more additional education and training than employees of non-pilot centers.
- Employee retention at pilot and non-pilot child care centers was about the same.
- When the date of hire was not taken into consideration, there were no differences in the average length of employment for employees of pilot and non-pilot child care centers.

However, among employees hired during the first months of the Pilot Project, employees of the pilot child care centers worked significantly longer than employees of non-pilot centers.

Summary of Substitute Bill:

The Division of Child Care and Early Learning (DCCEL) in the Department of Social and Health Services (DSHS) is required to establish a child care career and wage ladder, subject to the availability of funds appropriated for this specific purpose, in licensed child care centers that meet the following criteria:

- at least 10 percent of child care slots are dedicated to children whose care is subsidized by the state or any local government;
- agree to adopt the child care career and wage ladder, which, at a minimum, must be at the same pay schedule as existed in the Pilot Project; and
- meet further program standards as established by the DCCEL by rule.

The child care career and wage ladder must include wage increments for levels of education, years of relevant experience, levels of work responsibility, relevant early childhood education credits, and relevant requirements in the State Training and Registry System (STARS).

The DCCEL is required to establish procedures for the allocation of funds to implement the child care career and wage ladder among child care centers meeting the identified criteria for participation. In developing these procedures, the DCCEL is required to:

- review past efforts or administration of the Pilot Project in order to take advantage of any findings, recommendations, or administrative practices that contributed to the Pilot Project's success;
- consult with stakeholders, including organizations representing child care teachers and providers, in developing an allocation formula that incorporates consideration of geographic and demographic distribution of child care centers adopting the child care career and wage ladder; and
- develop a system for prioritizing child care centers interested in adopting the child care career and wage ladder that is based on the identified criteria for participation.

Notwithstanding the procedures that the DCCEL is required to establish for the allocation of funds to implement the child care career and wage ladder, child care centers meeting the basic criteria for participation in the career and wage ladder located in urban areas of Region 1 of the DSHS, which consists of Adams, Chelan, Douglas, Ferry, Grant, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, and Whitman counties, must receive a minimum of 15 percent of the funds allocated through the child care career and wage ladder. Of those centers, child care centers participating in the DSHS tiered-reimbursement pilot project in Spokane must have first priority for child care career and wage ladder funding.

Child care centers adopting the child care career and wage ladder are required to increase wages for child care workers who have earned a high school diploma or GED certificate, gain additional years of experience, or accept increasing levels of responsibility in providing child care, in accordance with the child care career and wage ladder. The DSHS is required to pay

wage increments for child care workers employed by child care centers adopting the child care career and wage ladder who earn early childhood education credits or meet relevant requirements in the STARS, in accordance with the child care career and wage ladder.

The DCCEL is required to establish by rule further program standards for the child care career and wage ladder. The DCCEL is also required to study the impact of the child care career and wage ladder on the quality of child care and the child care work force, and report its findings to the Governor and the appropriate committees of the Legislature by December 1, 2006.

EFFECT OF SENATE AMENDMENT(S):

Provides that adoption of a child care career and wage ladder must not prohibit the provision of wage increases based upon merit.

Appropriation: None.

Fiscal Note: Available on original bill.

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

Testimony For: (Children & Family Services) It is important to provide as much support as possible for all levels of child care. There has been a lot of success in the pilot. Hopefully this bill will push us from the pilot into actual implementation. This bill is a baby step in the right direction around providing stable and good wages for child care centers. This proposal is one of the most cost-effective and efficient ways to improve the quality of early learning for thousands of children in our state. High-quality child care depends upon the child care teacher, and the education, experience, and commitment that that teacher brings with her. The career and wage ladder provided a groundbreaking model for improving the quality of child care. It directly rewarded teachers through increased wages. Evaluations by Washington State University indicate that the wage ladder resulted in statistically significant improvements in the care and education of young children.

This bill would renew the career and wage ladder through a public-private partnership. The wage ladder proved to be a landmark success in spurring teachers to go back to school, gain relevant higher education, and make a professional commitment to early childhood education. The wage ladder also provided a direct transmission of child care center revenue to teachers. It has been found that increases in monthly tuition for child care were not translated into wage increases for teachers. Similarly, increased state subsidies have not been reflected in wages for child care teachers. The wage ladder brought dignity to the work of caring for young children. Ten years ago the military instituted a wage ladder based on teachers' educational attainment.

High-quality early learning is fundamental to ensuring children's readiness to learn. We know that a strong relationship exists between the education experience and compensation of child care teachers and the quality of teaching and care in early learning programs. We have to pay attention to early learning to tackle the learning gap among school children. We need to build

public investment in early childhood education. Zero to 3 are critical, critical years. The primary indicator of quality in child care is the quality and consistency of the caregiver or teacher. With wages hovering around \$9 an hour, turnover is 40 percent. Wages are poverty level. When the teachers leave, it is the children and families who suffer. Teachers need to be well-compensated, educated professionals. Teachers are subsidizing the cost of care by the low wages they earn.

The career and wage ladder did exactly what it said it was supposed to do. Staff were encouraged to see this as a real career opportunity, and made learning in the classroom more effective and life-changing for the children. This is the future of where we need to go for all children and all workers. The pilot program helped centers recruit and maintain staff who had a higher level of education and experience in the field, and helped current staff to have the initiative to go back to school and to earn college credits which enhanced programs and the care provided to children. Some staff had never before considered taking classes. The career and wage ladder enabled pay raises, more and better training, and attendance at conferences. The wage ladder was a wonderful boost for employees. Child care staff work equally as hard as school teachers, but they get nothing. We need to find a way today to make it better for these teachers. These kids deserve high-quality teachers who stay and grow right where they are. The wage ladder directly impacts the people who are doing the work.

When the wage and career ladder ended, centers lost thousands of dollars a month. Centers had to cut teacher salaries. Some employees quit, and some employees had to quit school to take another job. Some centers were able to continue some of the wage increments, but the increase in the minimum wage has made it harder for centers to maintain any wage increments. It is tough to ask for more pay, since parents would have to pay more and they can barely make ends meet. The career and wage ladder is necessary, it is not a luxury. We need to find ways to fund the wage ladder permanently. Many other countries subsidize child care as a matter of course. Burnout is incredible, when teachers feel that they are not compensated for the work that they do, for the hours that they put in. Many qualified people don't even consider entering into the child care field, while those who do seem to endure countless obstacles like having at least two or three additional jobs. There have been deep cuts in the last few years. Subsidy rates are now at 25 percent. We have lost funding for copays and for training and retention. We are in crisis.

Testimony For: (Appropriations) Data from the Child Care Career and Wage Ladder Pilot Project shows that it improved child care quality, improved morale, and decreased turnover. Over 120 centers participated in this public-private partnership. Teachers are the most important component to quality child care, and the wage ladder provides an economic incentive for teachers to increase their education and stay in the field. We hope that when more funding is available it will be dedicated to this important program.

Testimony Against: (Children & Family Services) None.

Testimony Against: (Appropriations) None.

Persons Testifying: (Children & Family Services) Representative Pettigrew, prime sponsor; John Burbank, Economic Opportunity Institute; Dorothy Gibson, Child Care Workforce Alliance of Washington of the Washington American Federation of Teachers; Angela Maxie, Tiny Tots Development Center; Amy Akins, Country Kids Playhouse; Elizabeth Penhallegon, Country Kids Child Development Center; Holly Futrelle, The Learning Ladder; Curtis Rapp, Small Faces Child Development Center; Emily A. Anderson, Stroum Jewish Community Center; Marsha Brix, Fauntleroy Childrens Center; Marge Reeves, Washington Association for the Education of Young Children; Anna Erickson, Pike Market Child Care and Preschool; and Yolanda Payne and Cynthia Heiss, Metropolitan Development Council Childcare.

Persons Testifying: (Appropriations) Dorothy Gibson, Childcare Workforce Alliance of Washington.

Persons Signed In To Testify But Not Testifying:

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