

SENATE BILL REPORT

SB 6059

As Reported by Senate Committee On:
Ways & Means, June 26, 2015

Title: An act relating to education.

Brief Description: Relating to education.

Sponsors: Senator Hill.

Brief History:

Committee Activity: Ways & Means: 6/25/15, 6/26/15 [DPS, DNP, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6059 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Bailey, Becker, Brown, Hewitt, O'Ban, Parlette, Schoesler and Warnick.

Minority Report: Do not pass.

Signed by Senators Hargrove, Ranking Member; Billig, Fraser, Hasegawa and Kohl-Welles.

Minority Report: That it be referred without recommendation.

Signed by Senators Keiser, Assistant Ranking Member on the Capital Budget; Hatfield and Padden.

Staff: Steve Jones (786-7440)

Background: PART I - Early Learning: Department of Early Learning (DEL). DEL was created in 2006. In 2007 the Legislature established the Early Learning Advisory Council to advise DEL on statewide early learning needs and to develop a statewide early learning plan. Certain council members are specified in statute.

DEL oversees many programs and services including, but not limited to, licensing and monitoring of family home childcare facilities and childcare centers, ECEAP, the Washington Kindergarten Inventory of Developing Skills, and EA.

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.

Early Achievers (EA). This free and voluntary program provides training, technical assistance, consultation, and coaching to licensed childcare facilities, tribal and military certified programs, and state and federally funded preschool programs such as ECEAP and Head Start. This program establishes a common set of expectations and standards to improve the quality of early learning and childcare. Under current law the EA program is subject to the availability of amounts appropriated for this specific purpose.

EA participants are evaluated and assigned a rating from 1 to 5. Level 1 means that a facility has been licensed by DEL or has recognized, approved certification. Participants are rated at level 2 when they enroll in EA. Levels 3 to 5 are based on points that participants can earn. Points are awarded in the areas of child outcomes; facility curriculum and learning environment and interactions; professional development and training; and family engagement and partnership.

Quality improvement awards are currently funded by a federal grant and are available to all licensed EA participants rated at levels 3 to 5. In fiscal year (FY) 2015, a tiered reimbursement pilot provided incentive payments to subsidized childcare providers rated at levels 3 to 5. EA is funded through federal grants, one of which will end in December 2015.

Workers Connections Child Care (WCCC). This program offers subsidies to childcare providers serving families at or below 200 percent of the federal poverty level -- \$47,700 for a family of four. The state pays part of the cost of childcare when a parent is employed, self-employed, or meets the requirements for Temporary Assistance for Needy Families or WorkFirst programs. The family is responsible for making a copayment to the childcare provider. DEL sets childcare subsidy policy and provides WCCC oversight for childcare licensing and early learning services. The Department of Social Health Services (DSHS) helps families apply for WCCC, determines eligibility and consumer copayments, authorizes childcare, and pays providers. Both childcare centers and family home providers are able to receive WCCC subsidy payments.

Early Childhood Education and Assistance Program (ECEAP). This program offers preschool to eligible three to four-year-old children. Public or private nonsectarian organizations, including school districts, educational service districts, community and technical colleges, local governments, or nonprofit organizations are eligible to participate as ECEAP providers. Children are eligible for ECEAP if they are from families with annual income at or below 110 percent of the federal poverty level -- \$26,235 for a family of four, qualify for school district special education services, or have developmental or environmental risk factors that could affect school success.

Since 1985 ECEAP has provided nutrition, health, education, and family support services. Under current law, funding must be phased in incrementally each year until full statewide implementation of the early learning program is achieved in the 2018-19 school year, at which time any eligible child must be entitled to be enrolled in the program. In 2013 the Legislature required ECEAP providers to enroll in EA and maintain a minimum score level by FY 2015. Currently, family home providers do not administer ECEAP.

Contracted Slots. The FY 2014 supplemental budget authorized DEL to serve a portion of WCCC households through slots contracted directly with specific childcare providers. DEL

was also allowed to braid funding between WCCC and ECEAP for full-day preschool for eligible children.

PART II - K-12 Education: Prototypical School Funding Formula. In 2009 the Legislature adopted a statutory framework for a funding allocation model for public schools based on prototypical schools. The statute provides that the use of prototypical schools is intended to illustrate the level of resources needed to operate a school of a particular size with particular types and grade levels of students using commonly understood terms and inputs, such as class size, hours of instruction, and specified staff positions. Actual state funding allocations are adjusted from the school prototypes based on the actual number of students in each grade level at each school in the district.

In 2010 the Legislature adopted in statute funding values or amounts for each of the specified elements of the prototypical school funding framework based on recommendations from a technical workgroup. The adopted funding values were intended to reflect the level of state allocations provided at the time. Additionally, the Legislature specified four enhancements and set dates for the funds to be provided through the prototypical school allocation statute. The three enhancements that were specified that have not yet been fully implemented are the following:

- increase the funding for materials, supplies, and operating costs (MSOC) to specific amounts by the 2015-16 school year;
- reduce K–3 class size to 17 students by the 2017-18 school year; and
- complete phase-in of full-day kindergarten statewide by the 2017-18 school year.

In 2014 the Legislature adopted in statute funding values to provide a minimum lab science class size enhancement for grades 9 through 12; an additional allocation for lab science maintenance, supplies, and operating costs for students in grades 9 through 12; and an increase in high school guidance counselors from 1.909 to 2.539 for each prototypical high school.

Initiative 1351. Washington State voters approved Initiative 1351 (I-1351) November 4, 2014. I-1351 amended the prototypical school funding formula to lower class sizes in all grades; provide enhanced class size reductions in high poverty schools; and increase the allocation of school-based and district-wide staff units in all categories. The initiative specified a phase-in schedule for the funding of the new prototypical schools funding formula of 50 percent of the costs in the first biennium and full implementation in school year 2018-19.

Compensation. The Legislature allocates money to each school district for state-funded school employee salaries. The actual salaries paid to certificated instructional staff and classified staff are subject to the collective bargaining process, within certain limits set by the Legislature. State funding for teachers and other certificated instructional staff salaries is provided through the state salary allocation model, which uses education and years of experience to vary the salary levels. The salary allocation is increased for each additional year of experience, up to 16 years, and for additional education, up to a Ph.D. School district's must pay at least the minimum salary on the state salary allocation model and cannot exceed the average salary calculated on the state salary allocation model. Certificated

Administrative Staff (CAS) and Classified Staff (CLS) do not have a state salary schedule, but instead are provided one salary amount for all levels of tenure and experience.

PART III - Higher Education: Tuition-Setting Authority. In 2011 the Legislature enacted E2SHB 1795, the Higher Education Opportunity Act, which provided four-year institutions the authority to set tuition rates for resident undergraduate students through the 2014-15 academic year. In the 2015-16 through 2018-19 academic years they are granted tuition-setting authority within limits based on a state funding baseline year and funding for similar higher education institutions in the Global Challenge States.

When a public baccalaureate institution raises tuition beyond levels assumed in the operating budget, the institution must remit 5 percent of operating fees back to students in the form of financial aid. Additionally, to offset increased tuition, institutions must provide financial assistance to State Need Grant-eligible students, resident low and middle-income students via a specific formula depending on tuition price as a percentage of median family income in various income brackets up to 125 percent of the median family income. Financial assistance may be provided through various methods with sources from tuition revenue, locally held funds, tuition waivers, or local financial aid programs.

Median Wage. The United States Department of Labor Bureau of Labor Statistics (BLS) is the principal Federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy. The BLS publishes the median hourly wage for each state annually that encompasses data collected from employers in all industry sectors in metropolitan and nonmetropolitan areas in Washington. The most current median hourly wage is \$19.76 for Washington.

Washington's Guaranteed Education Tuition (GET) Program. The GET program is a 529 prepaid college tuition plan established in 1997. The GET Program allows purchasers to pre-pay for tuition units that will be used at a later date. The state guarantees that 100 GET units will cover one year of resident undergraduate tuition and state-mandated fees at the most expensive Washington public university. GET units do not cover institutionally mandated fees that may be required at each individual school.

The current unit price is \$172. Unit purchase price is based on an actuarial formula that includes current cost of tuition, estimated future tuitions, inflation, investment returns, and administrative costs, and the need for a reserve to assist in periods of fluctuating returns or higher-than-average tuition. The current payout value is \$117.82 – effective through July 31, 2015.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Substitute): **PART I - Early Learning:** Early Achievers (EA). The EA program, a quality rating and improvement system, is changed in a number of ways. *EA Foundation.* DEL must collaborate with tribal governments when implementing EA. EA provides a foundation of quality for the early care and education system. Two objectives are added to EA:

- improve short-term and long-term educational outcomes for children as measured by assessments, and

- provide professional development and coaching opportunities to early childcare and education providers.

EA Participation. Participation in EA is voluntary for (1) licensed or certified childcare centers and homes not receiving state subsidy payments, and (2) early learning programs not receiving state funds. However, certain childcare and education programs must participate in EA. There are five levels in EA, and participants are expected to actively engage and continually advance within the program.

Nonschool Age Childcare and State Subsidy Payments. Licensed or certified childcare centers and homes serving nonschool-age children and receiving state subsidy payments must participate in EA by required deadlines. Nonschool-age child means a child who is age six years or younger and who is not enrolled in a public or private school.

Existing childcare providers must complete the following requirements to be eligible for a state subsidy:

- enroll in EA by August 1, 2016;
- complete level 2 activities by August 1, 2017; and
- rate at a level 3 or higher by December 31, 2019.

If an existing childcare provider rates below a level 3 by December 31, 2019, the provider must complete remedial activities with DEL, and rate at a level 3 or higher no later than June 30, 2020.

New childcare providers must complete the following activities to be eligible for a state subsidy effective July 1, 2016:

- enroll in EA within 30 days of receiving the initial state subsidy payment;
- complete level 2 activities within 12 months of enrollment; and
- rate at a level 3 or higher within 30 months of enrollment.

If a new childcare provider rates below a level 3 within 30 months from enrollment into EA, the provider must complete remedial activities with DEL and rate at a level 3 or higher within six months of beginning remedial activities.

If a childcare provider does not rate at a level 3 or higher following the remedial period, the provider is no longer eligible to receive a state subsidy.

If a childcare provider has successfully completed all level 2 activities and is waiting to be rated by the deadline, the provider may continue to receive a state subsidy pending the successful completion of the level 3 rating activity.

ECEAP. Preschool providers receiving state-funded support must participate in EA by required deadlines.

Existing ECEAP providers must complete the following requirements to be eligible to receive state-funded support:

- enroll in EA by October 1, 2015; and
- rate at a level 4 or 5 by March 1, 2016.

If an existing ECEAP provider rates below a level 4 by March 1, 2016, the provider must complete remedial activities with DEL, and rate at a level 4 or 5 within six months of beginning remedial activities.

New ECEAP providers must complete the following requirements to be eligible to receive state-funded support effective October 1, 2015:

- enroll in EA within 30 days of the start date of the ECEAP contract; and
- rate at a level 4 or 5 within 12 months of enrollment.

If a new ECEAP provider rates below a level 4 within 12 months of enrollment, the provider must complete remedial activities and rate at a level 4 or 5 within six months of beginning remedial activities.

Licensed or certified childcare centers and homes that administer ECEAP must rate at a level 4 or 5 within 18 months of the start date of the ECEAP contract. If an ECEAP provider rates below a level 4 within 18 months, the provider must complete remedial activities with DEL and rate at a level 4 or 5 within six months of beginning remedial activities.

If an ECEAP provider successfully completes all of the required EA activities and is waiting to be rated by the deadline, the provider may continue to participate in EA as an approved ECEAP provider and receive state subsidy pending the successful completion of a level 4 or 5 rating. To avoid disruption, DEL may allow for ECEAP providers who rated below a level 4 after completion of the six-month remedial period to continue to provide services until the current school year is finished.

ECEAP contractor means an organization that provides ECEAP services under a signed contract with DEL. ECEAP provider means an organization that provides site-level, direct, and high-quality ECEAP services under the direction of an ECEAP contractor.

School-Age Childcare. These providers are exempt from participating in EA. By July 1, 2017, DEL and the Office of Superintendent of Public Instruction (OSPI) must jointly design a plan to incorporate school-age childcare providers into EA or other appropriate quality improvement system. School-age child means a child who is between the ages of five years and twelve years and is attending a public or private school or is receiving home-based instruction. To test implementation of EA for school-age childcare providers, DEL and OSPI must implement a pilot program.

EA Rating Cycle and Rerating Fees. DEL has the authority to determine the rating cycle for EA. DEL must streamline and eliminate duplication between EA standards and state childcare rules in order to reduce costs associated with the EA rating cycle and childcare licensing. Participants may request to be rated at any time after the completion of all level 2 activities. DEL must provide a participant an update on its progress toward completing level 2 activities after enrollment in EA for 15 months.

The first rating is free. Each subsequent rating within the established rating cycle is free. Participants may request to be rerated outside the established rating cycle. DEL may charge a fee for optional rerating requests made by participants that are outside the established rating

cycle. Fees charged are based on, but may not exceed, the cost to DEL for activities associated with EA.

EA Extension Protocol. In collaboration with tribal governments, community and statewide partners, and the EA Review Subcommittee, DEL must develop a protocol for granting EA participants an extension in meeting rating-level requirement timelines outlined for WCCC and ECEAP. DEL may grant extensions only under exceptional circumstances. Extensions must not exceed six months, and participants are only eligible for one extension in meeting rating-level requirement timelines. Extensions may only be granted to participants who demonstrate engagement in EA.

EA Information for Parents and Caregivers. DEL must create a single source of information for parents and caregivers to access details on a provider's EA rating level, licensing history, and other indicators of quality and safety that will help parents and caregivers make informed choices. DEL must publish to its website, or offer through a link on its website, the following information:

- by November 1, 2015, EA rating levels 1 through 5 for all childcare programs that receive state subsidy, ECEAP, and federal Head Start programs in Washington; and
- new EA ratings within 30 days after a program becomes licensed or certified, or receives a rating.

The EA rating levels must be published in a manner that is easily accessible to parents and caregivers and takes into account the linguistic needs of parents and caregivers. DEL must publish EA rating levels for childcare programs that do not receive state subsidy but have voluntarily joined EA. Participants who have published rating levels online may include a brief description of their program, contingent upon the review and approval by DEL, as determined by established marketing standards.

EA Professional Development Pathway. DEL must create a pathway for EA participants to obtain a high school diploma or equivalency, or higher education credential related to early care and education. The pathway must include scholarships and grants. DEL must address cultural and linguistic diversity when developing the pathway.

EA Quality Improvement Awards and Tiered Reimbursement. The quality improvement awards must be reserved for EA participants offering programs to an enrollment population consisting of at least 5 percent of children receiving a state subsidy. DEL must implement tiered reimbursement for EA participants in WCCC rating at levels 3 to 5.

EA and Accreditation. DEL must accept national accreditation that meets certain requirements as a qualification for EA ratings. Each national accreditation agency will be allowed to submit its most current standards of accreditation to establish potential credit earned in EA. DEL must grant credit to accreditation bodies that can demonstrate that their standards meet or exceed the current EA standards. Licensed childcare centers and childcare home providers must meet national accreditation standards approved by DEL for EA in order to be granted credit for the EA standards.

Eligibility for EA is not subject to bargaining, mediation, or interest arbitration, consistent with the legislative reservation of rights. Nothing limits the Legislature's authority to make programmatic modifications to licensed childcare and early learning programs.

Alternative Quality Assessment Tools. DEL must explore the use of alternative quality assessment tools that meet the culturally specific needs of the federally recognized tribes in the state of Washington.

EA and Interlocal Agreements. A childcare or early learning program that is operated by a federally recognized tribe and receives state funds must participate in EA. The tribe may choose to participate through an interlocal agreement between the tribe and DEL. The interlocal agreement must reflect the government-to-government relationship between the state and the tribe, including recognition of tribal sovereignty. The interlocal agreement must provide that tribal childcare facilities and early learning programs:

- are not required to be licensed by DEL;
- are not required to have their EA rating level published to DEL's website or through a link on the website; and
- must provide notification to parents or guardians who apply for or have been admitted into their program that EA rating level information is available upon request.

EA Review Subcommittee Consultation. DEL must consult with the EA Review Subcommittee on all substantial policy changes to EA.

EA Low-Income Providers and Programs. DEL must, in collaboration with tribal governments and community and statewide partners, implement a protocol to maximize and encourage participation in EA for culturally diverse and low-income center and family home childcare providers. Amounts appropriated for the encouragement of this participation must be appropriated separately from the other funds appropriated for DEL, are the only funds that may be used for the protocol, and may not be used for any other purposes. Funds appropriated for the protocol must be considered an ongoing program for purposes of future departmental budget requests.

During the first 30 months of implementation of EA, DEL must prioritize the resources authorized in this section to assist providers rating at a level 2 in EA to help them reach a level 3 rating wherever access to subsidized care is at risk.

The protocol should address barriers to EA participation and include at a minimum the following:

- creation of a substitute pool;
- development of needs-based grants to assist with purchasing curriculum development, instructional materials, supplies, and equipment;
- development of materials and assessments in a timely manner, and to the extent feasible, in the provider and family home languages; and
- development of flexibility in technical assistance and coaching structures to providers based on individual need and cultural context.

Low-income childcare provider means a person who administers a childcare program that consists of at least 80 percent of children receiving WCCC subsidy.

Single Set of Licensing Standards. No later than November 1, 2016, DEL must implement a single set of licensing standards for childcare and ECEAP. DEL must produce the single set of licensing standards within its available appropriations. The new standards must:

- provide minimum health and safety standards for childcare and preschool programs;
- rely on the standards established in EA to address quality issues;
- take into account the separate needs of family care providers and childcare centers; and
- promote the continued safety of childcare settings.

Private Schools. Private schools that operate early learning programs and do not receive state subsidy payments must be subject only to minimum health and safety standards and the requirements necessary to assure a sufficient early childhood education to meet usual requirements needed for transition into elementary school. The state, and any agency thereof, must not restrict or dictate any specific educational or other programs for early learning programs operated by private schools except for programs that receive state subsidy payments.

Private school means a private school approved by the state under current law.

Before-School and After-School Programs. Certain requirements that relate to the physical facility, including outdoor playgrounds, do not apply to before-school and after-school programs that serve only school age children and operate in the same facilities used by public or private schools. This provision is effective July 1, 2016.

Working Connections Child Care (WCCC). DEL must establish and implement policies for WCCC that focus on supporting school readiness for young learners. WCCC standards intend to promote stability, quality, and continuity of early care and education programming.

As recommended by Public Law 113-186, authorizations for the WCCC subsidy must be effective for 12 months beginning June 30, 2016, unless an earlier date is provided in the 2015-17 Omnibus Appropriations Act.

A WCCC applicant or recipient no longer must notify DSHS within ten days about any significant change related to the number of childcare hours the applicant or recipient needs, cost sharing, or eligibility. This change in reporting takes effect June 30, 2016, unless an earlier date is provided in the 2015-17 Omnibus Appropriations Act.

Early Childhood Education and Assistance Program (ECEAP). This program is changed in a number of ways. *ECEAP Full-Day Programming.* DEL must collect data periodically to determine the demand for full-day programming for ECEAP providers. DEL must analyze this demand by geographic region and report the findings to the Legislature in the Annual Progress Report.

Full-day program means ECEAP that offers early learning education for a minimum of 1000 hours per year. Part-day program means ECEAP that offers early learning education for at least two and one-half hours per class session, at least 320 hours per year, for a minimum of 30 weeks per year.

ECEAP Pathway for Licensed or Certified Childcare Centers and Homes. By December 1, 2015, DEL must develop a pathway for licensed or certified childcare centers and homes to administer ECEAP.

ECEAP Implementation Priorities. Beginning in the 2015-16 school year, ECEAP implementation must prioritize programs located in low-income neighborhoods within high-need geographical areas. Following this priority, preference must be given to programs that:

- offer an extended day program for early care and education;
- offer services to children diagnosed with a special need; or
- offer services to children involved in the child welfare system.

Extended day program means ECEAP that offers early learning education for at least ten hours per day, a minimum of 2000 hours per year, at least four days per week, and operates year round. Low-income neighborhood means a district or community where more than 20 percent of households are below the federal poverty level.

ECEAP and Sectarian Organizations. Sectarian public or private organizations are allowed to participate as ECEAP providers.

Contracted Childcare Slots and Vouchers. DEL may employ a combination of vouchers and contracted slots for the subsidized childcare programs in WCCC. Any contracted slots DEL may create must meet certain requirements. Only childcare providers who participate in EA and rate at a level 3 to 5 are eligible to be awarded a contracted slot.

DEL must use data to calculate a set number of targeted contracted slots. In calculating the number, DEL must take into account a number of factors. The targeted contracted slots are reserved for programs meeting both of the following conditions:

- programs in low-income neighborhoods; and
- programs that consist of at least 50 percent of children receiving WCCC subsidy.

Until August 1, 2017, DEL must assure an even distribution of contracted slots from children birth to age five.

DEL must award the remaining contracted slots via a competitive process and prioritize childcare programs with at least one of the following characteristics:

- located in a high-need geographic area;
- partnering with elementary schools to offer transitional planning and support;
- serving children involved in the child welfare system; or
- serving children diagnosed with a special need.

DEL must pay a provider for each contracted slot, unless a contracted slot is not used for 30 days.

DEL must include the number of contracted slots that use both ECEAP funding and WCCC funding in the Annual Progress Report to the Legislature.

DEL must account for a childcare copayment collected by the provider from the family for each contracted slot and establish the copayment fee by rule.

Rulemaking. DEL must adopt rules or make recommendations regarding the following topics. *Fingerprint Background Check Rules.* By January 1, 2016, DEL must adopt rules requiring ECEAP employees who have access to children to submit to a fingerprint background check. Fingerprint background check procedures for ECEAP must be the same as DEL's established background check procedures.

ECEAP Rules and EA. The DEL Director must adopt rules for ECEAP that are consistent with EA standards.

Child Absence and Attendance Recommendations. By December 1, 2015, DEL must provide recommendations to the Legislature on child attendance policies pertaining to WCCC and ECEAP. The recommendations must include the following:

- allowable periods of child absences,
- required contact with parents or caregivers to discuss child absences and encourage regular attendance, and
- a de-enrollment procedure when allowable child absences are exceeded.

DEL must develop recommendations on child absences and attendance within DEL's appropriations.

Early Achievers Review Subcommittee. The Early Learning Advisory Council must convene an EA Review Subcommittee to provide feedback and guidance. At a minimum, the review must address the following:

- adequacy of data collection procedures;
- coaching and technical assistance standards;
- progress in reducing barriers to participation for low-income providers and providers from diverse cultural backgrounds, including a review of EA rating tools, quality standard areas, and components, and how they are applied;
- strategies in response to data on the effectiveness of EA standards in relation to providers and children from diverse cultural backgrounds;
- status of the life circumstance exemption protocols; and
- analysis of EA data trends.

The Subcommittee must include consideration of cultural linguistic responsiveness when analyzing the areas for review. This review must be part of the Annual Progress Report.

The Subcommittee must include representatives from childcare centers, family childcare, ECEAP, contractors for EA technical assistance and coaching, tribal governments, the organization responsible for conducting EA ratings, and parents of children participating in early learning programs including WCCC and ECEAP. It must include representatives from diverse cultural and linguistic backgrounds.

Reports, Program Data Collection, and Evaluation. Data must be collected and certain reports must be submitted to the Legislature. *Annual Progress Report.* Beginning December 15, 2015, and each December 15 thereafter, DEL, in collaboration with the statewide childcare resource and referral organization and the EA Review Subcommittee, must submit

a progress report to the Governor and the Legislature regarding providers' progress in EA. Each progress report must include the following elements:

- the number, and relative percentage, of family child care and center providers who have enrolled in EA and who have: (1) completed level 2 activities, (2) completed rating readiness consultation and are waiting to be rated, (3) achieved the required rating level to remain eligible for state-funded support under ECEAP or a subsidy under WCCC, (4) not achieved the required rating level initially but qualified for and are working through intensive targeted support in preparation for a partial re-rate outside the standard rating cycle, (5) not achieved the required rating level initially and engaged in remedial activities before successfully achieving the required rating level, (6) not achieved the required rating level after completing remedial activities, or (7) received an extension from DEL based on exceptional circumstances. These elements must be reported at the county level, and for those counties with a population of 500,000 and higher, the data must be reported at the zip code level;
- a review of the services available to providers and children from diverse cultural backgrounds;
- an examination of the effectiveness of efforts to increase successful participation by providers serving children and families from diverse cultural and linguistic backgrounds and providers who serve children from low-income households;
- a description of the primary obstacles and challenges faced by providers who have not achieved the required rating level to remain eligible to receive (1) a subsidy under WCCC, or (2) state-funded support under ECEAP;
- a summary of the types of exceptional circumstances for which DEL has granted an extension;
- the average amount of time required for providers to achieve local level milestones within each level of EA;
- to the extent data is available, an analysis of the distribution of EA-rated facilities in relation to child and provider demographics, including but not limited to race and ethnicity, home language, and geographical location;
- recommendations for improving access for children from diverse cultural backgrounds to providers rated at a level 3 or higher in EA;
- recommendations for improving EA standards;
- an analysis of any impact from quality strengthening efforts on the availability and quality of infant and toddler care;
- the number of contracted slots that use both ECEAP and WCCC funding; and
- a description of ECEAP implementation to include the following: (1) progress on ECEAP implementation, (2) an examination of the regional distribution of new preschool programming by zip code, (3) an analysis of the impact of preschool expansion on low-income neighborhoods and communities, (4) recommendations to address any identified barriers to access to quality preschool for children living in low-income neighborhoods, (5) an analysis of any impact of extended day early care and education opportunities directives, (6) an examination of any identified barriers for providers to offer extended day early care and education opportunities, (7) an analysis of the demand for full-day programming for ECEAP providers, and (8) to the extent data is available, an analysis of the cultural diversity of ECEAP providers and participants.

The first annual report must include a description of the EA extension protocol.

If, based on information in an annual report submitted in 2018 or later, 15 percent or more of the licensed or contracted providers who are participating in EA in a county or in a single zip code have not achieved the required rating levels, DEL must:

- analyze the reasons providers in the affected counties or zip codes have not attained the required rating levels; and
- develop a plan to mitigate the effect on the children and families served by these providers. The plan must be submitted to the Legislature as part of the Annual Progress Report along with any recommendations for legislative action to address the needs of the providers and the children and families they serve.

Education Research and Data Center (ERDC). The Office of Financial Management's center must collect longitudinal, student-level data on all children attending ECEAP. Upon completion of an electronic time and attendance record system, the ERDC must collect longitudinal, student-level data on all children attending WCCC. Data must include the following:

- daily program attendance;
- identification of classroom and teacher;
- EA quality level rating;
- program hours;
- program duration;
- developmental results from the Washington Kindergarten Inventory of Developing Skills; and
- to the extent available, the distinct ethnic categories within racial subgroups of children and providers.

DEL must provide early learning providers student-level data collected that are specific to the early learning provider's program. Upon completion of an electronic time and attendance record system, DEL must provide childcare providers student-level data that are specific to the childcare provider's program.

Cultural Competency Recommendations. DEL must review available research and best practices literature on cultural competency in early learning settings. It must review the K-12 components for cultural competency developed by the Professional Educator Standards Board and identify components appropriate for early learning professional development. By July 31, 2016, DEL must provide recommendations to the Legislature and the Early Learning Advisory Council on research-based cultural competency standards for early learning professional training.

WSIPP. The institute must conduct a longitudinal analysis examining relationships between EA quality ratings levels and outcomes for children participating in subsidized early care and education programs. WSIPP must submit the first report to the Legislature and the Early Learning Advisory Council by December 31, 2019. It must submit subsequent reports annually by December 31, with the final report due December 31, 2022. The final report must include a cost-benefit analysis.

Early Start Account. An account is created in the state treasury. Revenues in the account must consist of appropriations by the Legislature and all other sources. Monies in the account

may only be used after appropriation. Expenditures from the account may be used only to improve the quality of early care and education programming. DEL oversees the account.

Integration with Local Government Efforts. Local governments are encouraged to collaborate with DEL when establishing early learning programs. Local governments may contribute funds to DEL for the following purposes:

- initial investments to build capacity and quality in local early care and education programming; and
- reductions in copayments charged to parents or caregivers.

Funds contributed to DEL by local governments must be deposited in the Early Start Account.

Joint Select Committee on Early Achievers. This committee is established and has the following members:

- chair and ranking minority member of the House of Representatives Appropriations Committee or a designee who must be a member of that committee;
- chair and ranking minority member of the Senate Ways and Means Committee or a designee who must be a member of that committee;
- chair and ranking minority member of the House of Representatives Early Learning and Human Services Committee or a designee who must be a member of that committee; and
- chair and ranking minority member of the Senate Early Learning and K-12 Education Committee or a designee who must be a member of that committee.

The Joint Select Committee must choose its chair or co-chairs from among its legislative membership. The chair of the House of Representatives Early Learning and Human Services Committee or a designee, and the chair of the Senate Early Learning and K-12 Education Committee or a designee must convene the initial meeting of the Joint Select Committee.

Between July 1, 2018, and December 1, 2018, the Joint Select Committee must review the demand and availability of licensed or certified childcare family homes and centers, approved ECEAP, Head Start programs, and family, friend, and neighbor caregivers by geographic region, including rural and low-income neighborhoods. This review must specifically look at the following:

- the geographic distribution of these childcare programs by type of program, programs that accept state subsidy, enrollment in EA, and EA rating levels; and
- the demand and availability of these childcare programs for major ethnic populations.

By December 1, 2018, the Joint Select Committee must make recommendations to the Legislature on the following:

- the sufficiency of funding provided for EA;
- the need for targeted funding for specific geographic regions or major ethnic populations; and
- whether to modify the EA deadlines.

Staff support for the Joint Select Committee must be provided by the Senate Committee Services and the House of Representatives Office of Program Research.

Legislative members of the Joint Select Committee must be reimbursed for travel expenses. The expenses of the Joint Select Committee must be paid jointly by the Senate and the House of Representatives. The Joint Select Committee expenditures are subject to approval by the Senate Facilities and Operations Committee and the House of Representatives Executive Rules Committee, or their successor committees.

The Joint Select Committee must report its findings and recommendations to the Legislature by December 1, 2018.

This section expires December 1, 2019.

Part I of the act is contingent on funding in the budget.

PART II - K-12 Education: Legislative intent is provided to continue making changes to the program of basic education in areas where emerging research and evidence demonstrate that better and more efficient strategies are available to increase student outcomes.

The following changes are made to the basic education funding statute:

- The 2014 changes are reenacted, which create a high school class-size factor for laboratory science, laboratory science MSOC for high school students, and increased high school guidance counselors;
- K–3 class size allocation is maintained at 17.0 full-time equivalent students per teacher, with full implementation in school year 2017-18;
- The exception is eliminated for school districts to divert funding for the class sizes provided in the act to other school-based personnel, if capital capacity prevents a school from providing the class sizes specified in the act, and demonstrated class size is limited to grades K–3;
- Class size is restored in all other grades, career and technical education, and skills centers to the pre-initiative values;
- Other building and district-level staff is restored to pre-initiative values with the exception of elementary parent involvement coordinators allocated at 0.0825 per prototypical school and middle school guidance counselors allocated at 1.216 per prototypical school;
- The Learning Assistance Program funded hours per week is increased from 1.5156 to 2.3975;
- The Highly Capable Program funded hours per week is increased from 2.1590 to 2.35. The percentage of students eligible for funding is increased from 2.314 percent to 2.5 percent;
- Funding values for the transitional support for English language learners who have recently tested out of the Transitional Bilingual Instructional Program (TBIP) is now provided for in the basic education funding statute. This program provides 3.0 hours per week for these students for two years after testing out of the TBIP; and
- The phase-in requirements for the act are modified to align with the phase-in of the initiative.

Subject to appropriation, school district employees are provided a one-time salary bonus of 3.753 percent of annual salary to be paid in one payment on August 31, 2015, in addition to

the state funded salary provided in the 2013-15 Omnibus Appropriations Act. This bonus is not considered part of the program of basic education.

A school district must distribute its bonus allocation for salaries and salary-related benefits in accordance with the district's salary schedules and compensation policies. Each school district will certify to the Superintendent of Public Instruction that it has spent the funds provided for this bonus on salaries and salary-related benefits.

PART III - Higher Education: Public baccalaureate tuition-setting authority for resident undergraduate students is removed. In the 2015-16 academic year, the tuition operating fee for resident undergraduates is reduced by 25 percent from the 2014-15 tuition operating fee.

For the State Board of Community and Technical colleges, the tuition operating fee for resident undergraduates, not including those resident undergraduates pursuing an applied baccalaureate degree, is reduced by 2 percent from the 2014-15 tuition operating fee. The tuition operating fee for resident undergraduates pursuing an applied baccalaureate is reduced by 25 percent.

For the 2016-17 and each academic year thereafter, resident undergraduate tuition for all public colleges and universities may grow by no more than the average annual percentage growth rate in the median hourly wage for Washington for the previous fourteen years as the wage is determined by BLS.

As a result of changes in tuition fees, four-year public institutions of higher education must not reduce resident undergraduate enrollment below the 2014-15 academic-year levels.

Beginning with the 2015-17 operating budget, the Legislature must appropriate to the State Board for Community and Technical Colleges and each four-year institution of higher education an amount that is at least equal to the total state funds appropriated in the 2013-15 biennium plus the reduction in net revenues from resident undergraduate tuition operating fees received for the 2015-17 fiscal biennium under this act. The net revenue loss must be adjusted for inflation in subsequent biennia. Additionally, the dollar value of the building fee must not be reduced below the level in the 2014-15 academic year, adjusted for inflation.

Both the State Need Grant and the College Bound Scholarship maximum awards can be reduced by no more than the percentage reduction in tuition operating fees. Awards provided to students attending private schools are exempt from this reduction.

For the 2015-16 and 2016-17 academic years, the Committee on Advanced Tuition Payment and the governing body of the GET program must make such one-time adjustments to all unredeemed tuition units purchased before the section takes effect as may be necessary to ensure that the total payout value of each account is not decreased or diluted as a result of the initial changes in the tuition operating fee. The changes in the tuition operating fee also cannot result in a decrease in the dollar value of the maximum tuition units that may be redeemed in any one year.

The Legislative Advisory Committee to the Committee on Advanced Tuition Payment is required to review the impact of decreasing tuition rates on the funded status and future unit price of the GET program. The Committee is also to review the feasibility of establishing a

college savings program as defined by the US Internal Revenue Services under federal tax law 529.

The Education Data Research Center must provide the Legislature a statistical analysis and a report on the time it takes students to complete their degrees by major by school. The report is due December 1, 2015.

The Washington State Institute for Public Policy must conduct a study on alternative tuition growth factors in addition to the median wage for the Legislature to determine its preferred metric moving forward. The report is due December 1, 2015.

Financial mitigation is no longer required for institutions that increased tuition for resident undergraduate students above the tuition increases assumed in the budget. The Office of Financial Management is no longer required to report annually the total per-student funding level and undergraduate tuition that each represent the sixtieth percentile of funding and tuition for similar institutions of higher education.

This act is known as the College Affordability Program.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Yes.

Effective Date: The bill contains several effective dates. Please refer to the bill.

Staff Summary of Public Testimony: PRO: The legislative intent of this bill is to address significant education issues in a comprehensive manner, addressing the entire spectrum of the education continuum.

CON: Initiative 1351 should not be gutted. This undermines basic education. Basic education funding cannot be reduced for purely budgetary reasons; an educational rationale is required.

OTHER: The Early Start Act contains important policy that should be endorsed. However, these policies should not be made “subject to appropriation.” Restoration of food assistance is commendable.

Persons Testifying: PRO: Sen. Hill, prime sponsor.

CON: Shawn Lewis, WA Education Assoc.

OTHER: Emily Murphy, Children’s Alliance.

Persons Signed in to Testify But Not Testifying: No one.