

SENATE BILL REPORT

2SHB 2124

As Passed Senate - Amended, February 28, 2024

Title: An act relating to supporting and expanding access to child care and early learning programs.

Brief Description: Supporting and expanding access to child care and early learning programs.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Eslick, Senn, Leavitt, Chapman, Reed, Ramel, Callan, Rule, Goodman, Tharinger, Wylie, Timmons, Stonier, Reeves and Kloba).

Brief History: Passed House: 2/13/24, 74-22.

Committee Activity: Early Learning & K-12 Education: 2/19/24, 2/21/24 [DPA-WM, DNP, w/oRec].

Ways & Means: 2/24/24, 2/26/24 [DPA (EDU), DNP, w/oRec].

Floor Activity: Passed Senate - Amended: 2/28/24, 39-8.

Brief Summary of Bill (As Amended by Senate)

- Requires the Department of Children, Youth, and Families to consider an applicant or consumer's participation in Birth to Three Early Childhood Education and Assistance Program, or Early Head Start as an approved activity when determining eligibility for Working Connections Child Care (WCCC) benefits.
- Makes additional child care and early learning employees eligible for WCCC if other requirements are met.
- Requires inflationary increases for the dual language rate enhancement rather than allowing those adjustments to be subject to appropriations.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.
Signed by Senators Wellman, Chair; Nobles, Vice Chair; Wilson, C., Vice Chair;
Hunt, Mullet and Pedersen.

Minority Report: Do not pass.
Signed by Senator McCune.

Minority Report: That it be referred without recommendation.
Signed by Senators Hawkins, Ranking Member; Dozier.

Staff: Ailey Kato (786-7434)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Early Learning & K-12 Education.

Signed by Senators Robinson, Chair; Mullet, Vice Chair, Capital; Nguyen, Vice Chair, Operating; Rivers, Assistant Ranking Member, Capital; Billig, Conway, Dhingra, Hasegawa, Hunt, Keiser, Muzzall, Pedersen, Randall, Saldaña, Torres, Van De Wege, Wagoner and Wellman.

Minority Report: Do not pass.
Signed by Senator Schoesler, Ranking Member, Capital.

Minority Report: That it be referred without recommendation.
Signed by Senators Wilson, L., Ranking Member, Operating; Gildon, Assistant Ranking Member, Operating; Boehnke and Braun.

Staff: Josh Hinman (786-7281)

Background: Working Connections Child Care Eligibility. The Working Connections Child Care (WCCC) Program is a federally- and state-funded program that provides child care subsidies to families, and is administered by the Department of Children, Youth, and Families (DCYF). Families may be eligible for child care subsidies if they have a household income at or below 60 percent of the state median income (SMI).

To be eligible for WCCC, the parent or guardian must meet certain eligibility requirements including being employed, self-employed, or in approved work or education activities. Eligible families must make a copayment to the child care provider based on the family's countable income, which are established in state law.

In 2021, WCCC eligibility was expanded by phasing in higher income thresholds:

- beginning July 1, 2025, the household income threshold is expanded to at or below 75 percent of SMI; and
- beginning July 1, 2027, the household income threshold is expanded to at or below 85

percent of SMI, subject to appropriations.

Child Care Employees. A family is eligible for WCCC when the household's annual income is at or below 85 percent of SMI adjusted for family size and:

- the child is less than 13, or less than 19 with a special need;
- the applicant or consumer is employed in a licensed child care center or family home provider; and
- the household meets all other program eligibility requirements.

DCYF must waive the copayment to the extent allowable under federal law; otherwise, a maximum of a \$15 copayment.

Early Childhood Education and Assistance Program and Head Start. The Early Childhood Education and Assistance Program (ECEAP) is the state's voluntary preschool program administered by DCYF that serves eligible three- to five-year-old children who are not age-eligible for kindergarten. This program is state funded. Head Start is a similar federally funded program.

DCYF also administers a Birth to Three ECEAP program for eligible children under 36 months old. Early Head Start is a similar federally funded program.

Inflationary Adjustments. Subject to appropriations, the following rates must be adjusted every two years according to an inflationary increase:

- infant rate enhancement for licensed or certified child care providers and Birth to Three ECEAP contractors who meet certain requirements;
- ECEAP rates;
- rate enhancement for licensed or certified child care providers and ECEAP and Birth to Three ECEAP contractors with a dual language designation; and
- Birth to Three ECEAP.

The inflationary increase must be calculated by applying the rate of the increase in the inflationary adjustment index to the rates established in state law. Any funded inflationary increase must be included in the rate used to determine inflationary increases in subsequent years. For the purposes of this section, inflationary adjustment index means the implicit price deflator averaged for each fiscal year, using the official current base rate, compiled by the Bureau of Economic Analysis, United States Department of Commerce.

Summary of Amended Bill: Early Learning Programs. DCYF must consider a WCCC applicant or consumer's participation in Birth to Three ECEAP and Early Head Start as an approved activity when determining eligibility for WCCC benefits.

Child Care and Early Learning Employees. In addition to employees of licensed child care providers, employees of the following providers and programs may be eligible for WCCC if other eligibility requirements are met:

- certified child care centers or family home providers;
- ECEAP;
- Birth to Three ECEAP;
- Head Start; and
- Early Head Start.

Inflationary Adjustments. Inflationary adjustments for the dual language rate enhancement are required and no longer subject to appropriations.

Appropriation: The bill contains a null and void clause requiring specific funding be provided in an omnibus appropriation act. This bill contains a section or sections to limit implementation to the availability of amounts appropriated for that specific purpose.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Second Substitute House Bill (Early Learning & K-12 Education): *The committee recommended a different version of the bill than what was heard.* PRO: Expansion of child care is important especially for rural and low-income communities. This bill will support child care employees, which will help address workforce shortage issues. It will also allow families who are working to become better citizens through early learning programs to have access to child care programs.

Persons Testifying (Early Learning & K-12 Education): PRO: Representative Carolyn Eslick, Prime Sponsor; Katy Warren, WA State Assn of Head Start and ECEAP; Rekah Strong, Educational Opportunities for Children and Families.

Persons Signed In To Testify But Not Testifying (Early Learning & K-12 Education): No one.

Staff Summary of Public Testimony on Bill as Amended by Early Learning & K-12 Education (Ways & Means): PRO: This bill addresses two major issues with the program. The ability to find and keep qualified staff, and the inconsistency in child care subsidy for the very high need families we serve. Child care doesn't pay competitively and is largely female staff, and these staff are often unable to afford child care themselves. The bill will address this inequity. Recognizing the intensive work for the birth to three age group will ensure children and families with the highest needs receive consistent care.

Persons Testifying (Ways & Means): PRO: Katy Warren, WA State Assn of Head Start and ECEAP.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.