

# HOUSE BILL REPORT

## HB 2360

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**As Reported by House Committee On:**  
Children & Family Services

**Title:** An act relating to child care workers.

**Brief Description:** Establishing a wage ladder for child care workers.

**Sponsors:** Representatives Kagi, Kenney, Wood, Santos, Hunt, Dickerson, Schual-Berke, Haigh, McDermott, Morrell, Darneille, Flannigan and Hudgins.

**Brief History:**

**Committee Activity:**

Children & Family Services: 1/22/04, 1/28/04 [DPS].

**Brief Summary of Substitute Bill**

- Establishes a child care career and wage ladder.
- Appropriates \$2 million to the Department of Social and Health Services.

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### HOUSE COMMITTEE ON CHILDREN & FAMILY SERVICES

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Kagi, Chair; Darneille, Vice Chair; Dickerson, Miloscia and Pettigrew.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Boldt, Ranking Minority Member; Roach, Assistant Ranking Minority Member; Bailey and Shabro.

**Staff:** Cynthia Forland (786-7152).

**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 education, responsibility, 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.

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### **Summary of Substitute Bill:**

The Division of Child Care and Early Learning (DCCCEL) in the Department of Social and Health Services is required to establish a child care career and wage ladder 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. 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.

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 licensed child care centers adopting 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, 2005.

#### **Substitute Bill Compared to Original Bill:**

The child care career and wage ladder must be, at a minimum, at the same pay schedule as under the Pilot Project. The child care career and wage ladder is not required to provide a 50 cents an hour wage increment for all workers listed in the STARS, but must include wage increments for relevant requirements in the 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. 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.

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**Appropriation:** The sum of \$2 million.

**Fiscal Note:** Available.

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

**Testimony For:** (Original bill) The Pilot Project had an impact on the quality of care provided for children. The Pilot Project assisted child care centers in retaining staff, ensured that staff were trained, and encouraged staff to pursue further education. This bill is an effort to re-institute the Pilot Project, which has been demonstrated to have been effective. The Pilot Project resulted in a culture change, with child care workers experiencing a new self-respect and self-worth. Under the Pilot Project, turnover rates decreased and wages and levels of education increased. The Pilot Project provided funds for wage increases as well as for training, supplies, and materials. Elimination of the Pilot Project has forced child care centers to compensate for the loss in state funding by freezing wages, cutting back on staff hours, and increasing rates. Child care workers are paid poverty wages and are given little respect. Turnover rates among child care workers are high. Many child care centers have a limited ability to raise rates in order to cover increases in worker wages. Public funding is necessary in order to provide access to quality care. Child care worker wages must match the level of education required to provide for the care and education of these young children. The quality, professionalism, and consistency of the child care workforce are essential in preparing children for kindergarten, ready to learn. Changes made in the military's child care programs are similar to elements of the Pilot Project and the legislation under consideration.

(Neutral) The wage ladder would cost more than the \$2 million appropriated in the bill to implement. The Pilot Project cost \$3.5 million per year.

**Testimony Against:** None.

**Persons Testifying:** (In Support) Representative Kagi, prime sponsor; Dorothy Gibson, Childcare Workforce Alliance of Washington; Polly Schmitt, South Whidbey Children's Center; Tim Mendes; John Burbank, Economic Opportunity Institute; Gail Neal; Jerry Todd; Liz Charvet, Teddy Bear Corner Childcare Center; Misako Easton, Cottesmore Child Development Center; Karen Ekdahl, Bellingham Childcare and Learning Center; Holly Futrelle, The Learning Ladder Child Development Center; Agda Burchard, Washington Association for the Education of Young Children and Early Childhood Education Collaboration; and Mully Mullally, South Whidbey Children's Center.

(Neutral) Rachael Langen, DCCEL.

**Persons Signed In To Testify But Not Testifying:** More than 20 persons signed in. Please see committee staff for information.