

HOUSE BILL REPORT

SSB 6226

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

Title: An act relating to authorization periods for subsidized child care.

Brief Description: Concerning authorization periods for subsidized child care.

Sponsors: Senate Committee on Human Services & Corrections (originally sponsored by Senators Frockt, Harper, Regala, Zarelli, Fain, Hargrove, Kohl-Welles and Keiser).

Brief History:

Committee Activity:

Early Learning & Human Services: 2/16/12, 2/21/12 [DPA];
Ways & Means: 2/24/12, 2/27/12 [DPA(WAYS w/o ELHS)].

**Brief Summary of Substitute Bill
(As Amended by Committee)**

- Changes the eligibility period for Working Connections Child Care to 12 months.
- Requires applicants and recipients to report changes.

HOUSE COMMITTEE ON EARLY LEARNING & HUMAN SERVICES

Majority Report: Do pass as amended. Signed by 8 members: Representatives Kagi, Chair; Roberts, Vice Chair; Walsh, Ranking Minority Member; Hope, Assistant Ranking Minority Member; Dickerson, Goodman, Johnson and Orwall.

Minority Report: Do not pass. Signed by 1 member: Representative Overstreet.

Staff: Megan Palchak (786-7120).

Background:

Working Connections Child Care (WCCC) is a subsidized child care program designed to promote stability and quality care for children from low-income households while their

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parents are at work or engaged in WorkFirst participation requirements. The Department of Early Learning (DEL) sets WCCC policy and the Department of Social and Health Services (DSHS) provides WCCC eligibility determinations.

In 2010 the Legislature passed Engrossed Second Substitute House Bill 3141 (E2SHB 3141), an act relating to redesigning the delivery of Temporary Assistance for Needy Families, which involved reforming components of the WCCC. Under E2SHB 3141, beginning in fiscal year 2011, families with children enrolled in the Early Childhood Education Assistance Program (ECEAP), Head Start, or Early Head Start were authorized for a 12-month period unless a change in circumstances required an eligibility to end earlier than 12 months.

Working Connections Child Care applicants and recipients are required, by administrative rules, to notify WCCC staff about specific changes in circumstances that may impact WCCC eligibility.

The E2SHB 3141 also required the DEL and the DSHS to issue a report to the Legislature by September 2011 that would include: (a) an analysis of the impact of the 12-month authorization on the stability of child care, program costs, and administrative savings, and (b) recommendations for expanding the application of the 12-month authorization period to additional populations of families that receive WCCC.

In 2011 the Legislature passed Engrossed Substitute Senate Bill 5921 (ESSB 5921), requiring a six-month eligibility period for WCCC applicants other than families enrolled in ECEAP, Head Start, or Early Head Start. This population of applicants is currently required to recertify income eligibility every six months. However, the six-month certification provision applies only if enrollments are capped. The ESSB 5921 also required WCCC applicants to seek child support enforcement services from the DSHS, Division of Child Support as a condition of receiving subsidized child care. However, if the DSHS finds an applicant has good cause to not cooperate, then he or she is exempt from the child support requirement.

In August 2011 the legislative report required under E2SHB 3141 concluded that the 12-month eligibility period:

- increased the stability of child care;
- either had no impact on program costs or had a role in reducing program costs per family and per child; and
- there is little difference between the costs for administering the six-month program versus the 12-month program, except that six-month authorizations require additional staff time to reprocess applications.

The report included recommendations to:

- continue to offer the 12-month extended eligibility WCCC program to eligible families;
- increase awareness of the 12-month extended eligibility WCCC program among families and child care programs;
- find ways to reduce the burden of the application process; and
- find ways to do more to help families and child care programs with the eligibility process.

Summary of Amended Bill:

Beginning in fiscal year 2013, authorizations for the WCCC subsidy are effective for a 12-month period, unless a change in circumstances necessitates reauthorization sooner.

When an applicant or recipient applies for or receives WCCC, he or she must:

- notify the DSHS, within five days, of any change in providers; and
- notify the DSHS, within 10 days, about any significant change related to the number of child care hours the applicant or recipient needs, cost-sharing, or eligibility.

Provisions regarding the six-month certification period and the 2011 legislative report studying the 12-month eligibility are repealed.

Amended Bill Compared to Substitute Bill:

The amended bill removes the provision authorizing the 12-month certification period on the condition that enrollments into the program are capped. The amended bill also replaces specific provisions regarding what applicants or recipients must report; clarifies that he or she must notify the DSHS regarding: (a) a change of provider (within five days); and (b) any significant change related to the number of child care hours that he or she needs, cost-sharing, or eligibility (within 10 days).

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date of Amended Bill: The bill takes effect on July 1, 2012.

Staff Summary of Public Testimony:

(In support) Twelve-month authorizations for WCCC support continuity of care, steady child care business, and administrative efficiency. The Senate thought it was important to give the notification issues now provided in rule, the force of law. It is important that changes be reported promptly. There was a feeling that capping the program in statute (as it is now in practice) is an important factor in keeping the fiscal note down.

(Opposed) None.

Persons Testifying: Senator Frockt, prime sponsor; Lonnie Johns-Brown, Service Employees International Union 925 and American Federation of Teachers; and Erica Hallock, United Ways of Washington.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Ways & Means and without amendment by Committee on Early Learning & Human Services. Signed by 27 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle, Chandler, Cody, Dickerson, Haigh, Haler, Hinkle, Hudgins, Hunt, Kagi, Kenney, Ormsby, Parker, Pettigrew, Ross, Schmick, Seaquist, Springer, Sullivan and Wilcox.

Staff: Melissa Palmer (786-7388).

Summary of Recommendation of Committee On Ways & Means Compared to Recommendation of Committee On Early Learning & Human Services:

The Ways and Means Committee retained the provision authorizing the 12-month certification period on the condition that enrollments into the program are capped. The amended bill also replaced specific provisions regarding what applicants or recipients must report; and clarifies that he or she must notify the Department of Social and Health Services (DSHS) regarding: (1) a change of provider (within five days); and (2) any significant change related to the number of child care hours that he or she needs, cost sharing, or eligibility (within 10 days).

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect on July 1, 2012.

Staff Summary of Public Testimony:

(In support) There is strong support for 12-month authorizations periods for child care. This is a really great move for child care providers; parents who are in desperate need for child care to enable them to work and support their families; and children who benefit from the continuity of care. The Department of Early Learning (DEL) study indicated great gains for families and children, while savings in administration costs. This bill also maintains safe guards; families would have to pay back child care subsidies overpayments. Other states have not experienced increased costs associated with adopting this policy.

This bill is a win on every level. It allows the DSHS to focus on payment errors rather than processing authorization paper work. Staffing has decreased at the DSHS and the system is stretched thin. This bill reduces redundancy, allowing for fewer payment errors. Additionally, the policy supports child care providers as small business owners. Providers are often not paid for care they provide during the reauthorization period. This bill provides for continuity of care, which is right for Washington children. In child development, every disruption sets a child's development back. Under this policy there will be stability, children will thrive, and the DEL will maintain the 33,000 household cap on the Working Connections Child Care program.

(Opposed) None.

Persons Testifying: Katy Warren, Washington State Association of Head Start and Early Childhood Education and Assistance Program; and Loni Todd, Service Employees International Union 925.

Persons Signed In To Testify But Not Testifying: None.