

SENATE BILL REPORT

SB 5527

As of February 16, 2011

Title: An act relating to the use of an electronic benefit transfer system for the delivery of subsidized child care.

Brief Description: Directing creation of an electronic benefit transfer system for the delivery of subsidized child care.

Sponsors: Senators Hargrove, Carrell and Shin.

Brief History:

Committee Activity: Human Services & Corrections: 2/03/11.

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Staff: Jennifer Strus (786-7316)

Background: The Department of Early Learning (DEL) is responsible for licensing and monitoring child care providers, and the Department of Social and Health Services (DSHS) is responsible for determining an applicant's eligibility to receive a child care subsidy as well as operating the Subsidy Payment System.

Licensed child care providers who accept state subsidized children must bill DSHS only for the actual hours of care provided to eligible children. The number of hours allowed for each subsidized child must be authorized by DSHS. The provider must have the parent of the child receiving subsidized child care verify the accuracy of the dates and times the child attended child care by signing and dating the attendance records at least weekly. The provider is required to keep the attendance records for five years.

To receive payment, a provider must submit an invoice detailing the dates and times the children approved for subsidized care attended.

Child care providers can opt to receive payment either by check or direct deposit into a bank account.

Summary of Bill: No later than December 31, 2011, DEL, with the assistance of DSHS, must develop and implement an electronic benefit transfer (EBT) system for the delivery of subsidized child care. The EBT system is to be developed to allow DEL to track the time

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and attendance of any child for whom a child care provider is receiving a subsidy as well as to process subsidy payments to providers.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: We are concerned about the child care error rate at DSHS. We want to move forward with a system that works for providers.

OTHER: The Working Connections Child Care subsidy program is not a cash grant system. Providers are paid directly from the state. We are concerned about the probability of overpayments so much that we took the issue to the bargaining table. Providers must keep meticulous records now. We are concerned about three things in the bill: 1) we do not understand how the EBT card in the child care system would work; 2) how would a child care provider proceed if the EBT card was lost - could they provide child care for the child; 3) how much would it cost the state - is the state going to provide the point of sale machines for 10,000 providers? The administrative costs in Virginia and Colorado for implementing a similar system cost millions of dollars.

Persons Testifying: PRO: Lonnie Johns-Brown, Washington Association for the Education of Young Children.

OTHER: Lani Todd, Service Employees International Union 925.