

# HOUSE BILL REPORT

## HB 1723

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**As Reported by House Committee On:**  
Early Learning & Human Services  
Appropriations

**Title:** An act relating to expanding and streamlining early learning services and programs.

**Brief Description:** Concerning early learning opportunities.

**Sponsors:** Representatives Kagi, Walsh, Farrell, Maxwell, Roberts, Freeman, Goodman, Sawyer, Sullivan, Jinkins, Seaquist, Lytton, Haigh, Hunter, Morrell, Sells, Ryu, Morris, McCoy, Reykdal, Tarleton, Tharinger, Pollet, Fey, Moscoso, Bergquist, Ormsby and Santos.

**Brief History:**

**Committee Activity:**

Early Learning & Human Services: 2/15/13, 2/21/13 [DPS];  
Appropriations: 2/26/13, 3/1/13 [DP2S(w/o sub ELHS)].

**Brief Summary of Second Substitute Bill**

- Creates a legislative task force and technical working group to examine options for creating an accessible, integrated, high quality, and community-based early learning program for children and their families.
- Directs an expansion of the Early Childhood Education and Assistance Program in fiscal year 2014.
- Directs a 10 percent increase in Working Connections Child Care subsidies effective September 1, 2013, as well as a 5 percent increase for providers achieving level 2 of Early Achievers.
- Declares that specified increases and expansions are null and void unless funded in the budget.

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### HOUSE COMMITTEE ON EARLY LEARNING & HUMAN SERVICES

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Kagi, Chair; Freeman, Vice Chair; Walsh, Ranking Minority Member; Farrell, Goodman, MacEwen, Roberts and Sawyer.

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*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.*

**Minority Report:** Do not pass. Signed by 3 members: Representatives Scott, Assistant Ranking Minority Member; Overstreet and Zeiger.

**Staff:** Lindsay Lanham (786-7120).

**Background:**

In Washington, there are several early learning, child care, and parent education programs. Each program has unique objectives, eligibility requirements, processes for enrollment, hours of operation, and funding streams.

Home visiting programs provide support and education to expectant parents and new families. Home visiting programs are voluntary and offer an array of in-person services to families based on the particular objectives of the program and needs of the family. There are several home visiting programs utilized in Washington. Nurse-Family Partnership, and Parents as Teachers are two examples of home visiting programs.

The Working Connections Child Care Program (WCCC) provides subsidies to child care providers serving families at or below 200 percent of the federal poverty line. The WCCC is often associated with Washington's WorkFirst program and is intended to support parents who are working, attending training, or enrolling in educational programs outside the home. Not all families receiving the WCCC benefits, however, participate in approved WorkFirst activities. For example, a parent under 22 years of age may be eligible for the WCCC benefits for high school development. Children of families receiving the WCCC benefits are required to be less than 13 years of age or less than 19 years of age and have a verified special need or be under court supervision.

The Washington State Preschool Program, or the Early Childhood Education and Assistance Program (ECEAP) is an early learning program for children ages 3 to 5 years and who have not entered kindergarten. The ECEAP provides preschool education, family support, and health and nutritional services to families at or below 110 percent of the federal poverty line.

In 2007 the Legislature supported the development of Early Achievers, which is Washington's quality rating and improvement system. Early Achievers establishes a common set of expectations and standards that define, measure, and improve the quality of early learning settings. Participation in Early Achievers is voluntary.

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**Summary of Substitute Bill:**

A technical working group is established to examine federal and state early education funding streams and early education eligibility processes. The technical working group is charged with developing technical options for system designs that blend and braid federal and state funding streams for early learning programs. A legislative task force is created to use the information gathered by the technical working group to develop recommendations for how to create an accessible, integrated, high-quality, and community-based early learning program for children and their families.

The Department of Early Learning (DEL) is required to annually review rates for child care compared to market rates and make recommendations to the Legislature. Additionally, the DEL is mandated to conduct an annual survey of staff compensation in licensed child programs and the Washington State Preschool Program, including Early Achievers and non-Early Achievers programs, using data generated by the managed education and registry information tool and the Early Achievers program and report survey findings to the Legislature. For all new funds appropriated for the specific purpose of home visiting and parent and caregiver support, the DEL must also reserve at least 80 percent of the new funds and deposit those funds into the Home Visiting Services Account for home visiting and up to 20 percent for parent or caregiver support. Home visiting services must include programs that serve families involved in the child welfare system. The funds accruing to the General Fund from Initiative 502 (the legalization of recreational marijuana) will be utilized to phase in an integrated high quality continuum of early learning program, called Early Start, for children birth to 5 years of age.

The DEL must increase the base rate for all the WCCC child care providers by 10 percent in August 2013 and January 2014 and require exempt providers to participate in continuing education opportunities. Child care providers must receive a 5 percent increase in the subsidy rate for achieving level 2 of Early Achievers; however, providers must complete level 2 and advanced to level 3 within 18 months in order to maintain this increase. Child care providers who participate in the Early Achievers program and maintain a minimum score may apply for contracted slots.

The ECEAP eligibility is increased to include families who are at 130 percent of the federal poverty line. The DEL is required to continue to offer half-day preschool programming for children. The DEL is to increase the base slot rate for the ECEAP to align with the Washington Head Start slot rate. By fiscal year 2015, providers receiving the ECEAP subsidies must enroll in Early Achievers. Additionally, new funding for the ECEAP expansion must be distributed through a competitive bidding process. When reviewing applications, the DEL must consider local community needs, demonstrated capacity, and the need to support a mixed delivery system of early learning. The DEL must prioritize the following programs for new funding:

- programs offering an integrated full-day early learning program for children ages birth to 5 years of age, and
- programs that have created partnerships with elementary schools and offer transitional planning and support to children as they advance to kindergarten.

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

The terms "Early Achievers" and the "Washington State Preschool Program" are defined. Three new participants are included in the legislative task force. The DEL is required to conduct an annual survey of staff compensation in licensed child care programs and the Washington State Preschool Program and report findings to the Legislature. The money appropriated for the specific purpose of home visiting must be deposited into the Home Visiting Services Account. Home visiting services must include programs that serve families involved in the child welfare system. Preschool programs receiving state funds are required to enroll in Early Achievers by fiscal year 2015. Child care providers who participate in

Early Achievers and maintain levels 3, 4, or 5 are eligible to apply for contracted slots. The original bill required the DEL to increase base rate for all child care providers by 5 percent. The substitute bill requires the DEL to increase the base rate for all child care providers by 10 percent beginning in August 2013 and January 2014 and increase the child care subsidy rate by 5 percent for child care providers reaching level 2 in Early Achievers. Child care providers must complete level 2 and advance to level 3 of Early Achievers within 18 months in order to maintain the 5 percent increase. Finally, the DEL is required to continue to offer half-day preschool programs for children.

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**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on February 21, 2013.

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

**Staff Summary of Public Testimony:**

(In support) Parents are a child's first and most important teachers. Parents need opportunities to learn about the research and learn about the importance for children to hear language and have rich experiences early in life because that is what prepares them for education.

The research on brain science consistently demonstrates that by the time children reach kindergarten their brains are already 85 to 90 percent fully developed. The brain is only 25 percent developed when children arrive in this world. The first five years are absolutely critical for preparing children for kindergarten. Many children are not ready for kindergarten, however, so the achievement gap begins the very first day of kindergarten.

The best investment we can make in crime prevention is getting kids off to a good start. Many sheriffs agree that the most effective crime prevention tools are empirically proven programs such as home visiting and high-quality early learning. These programs get children off to a good start in life. In one study, children assigned to a control group who did not participate in preschool were more than 70 percent more likely to be arrested for a violent crime by the age of 18 than their peers who attended preschool. The research on home visiting is also compelling. A research study suggests that children with parents assigned to the control group who did not participate in home visiting were more than twice as likely to be convicted of a crime by the time the child reached 19 years of age. The more we invest in high-quality early learning and home visiting; the safer our communities will be in the future. Some prosecutors wonder if the cycle of crime may be stopped by the offering early interventions. Seventy percent of prison inmates do not have a high school diploma. Early high-quality learning is an evidence-based or proven way to increase graduation rates. If we increase high school graduation rates, we will decrease crime. This is a crime prevention bill as much as it is an education bill.

Some parents report that the ECEAP supported their children in academic improvements, social skills, and improving their children's health. The ECEAP also encouraged a mother to grow as a parent, gain confidence in herself, and to realize that she had a dream in life. The ECEAP, however, has a waitlist in some regions. In fact, less than 3 percent of the children 3 years of age who are eligible for the ECEAP are being served, because of the great need that exists for qualifying 4 year olds in Washington. When it works, the WCCC is an amazing program that can help support families during a transitional time; however, eligibility processes can be concerning. Family, friend, and neighbor care is also important; as such, the inclusion of support to family, friend, and neighbor caregivers is appreciated.

Some school districts are partnering with the early learning community to make certain that Washington children are school ready. The partnership is contributing to improved outcomes for the children. In fact, one school district has gone from having 60 percent of their children ready for school to having 90 percent of their children ready for school. Quality early learning is truly helping children who come from disadvantaged backgrounds and gives children a fair shot and life of opportunity and success.

The legislative task force is a great way to strengthen synergies between policy makers and early learning professionals. This bill is important because it works to reduce silos in the system. Concentrating on at-risk kids is a smart use of tax-payers investment. A comprehensive and collaborative approach is best practice in the business community, as is the annual view of rates based on market rates and annual rates of inflation. Quality is critical in producing a good return on investment. Children in Washington deserve the best our tax payers can provide.

There has been some interest in the identified funding source of this bill; however, early learning is the best investment a state can make. Initiative 502 revenue is a great opportunity to invest needed funding to improve early learning programming in Washington. Among an array of positive outcomes, high-quality early learning is shown to reduce marijuana use in adults.

This bill recognizes that children's optimum development depends on a range of high quality settings from birth to 5. Educational success for children in Washington depends on access to early learning services.

The focus on children birth to 3 is also very important as well and this attention in the bill is appreciated. The ECEAP needs another year to prepare for the mandatory enrollment in Early Achievers. Additionally, there is some concern that contracted slots be utilized for providers at level 3 of Early Achievers, to ensure vulnerable children have access to the highest level of care.

(Opposed) None.

**Persons Testifying:** Representative Kagi, prime sponsor; Luara Wells, Casey Salisbury, John Tunheim, and Bob Berg, Fight Crime: Invest in Kids; Martha Banda and Charity Edwards; Claire Wilson, Puget Sound Educational Service District; Steve Leahy and Cathy Lombardo, America's Edge; Lisa Conley, Child Care Resources; Jeanette Spiegelburg, Centrelia College,

Children's Lab School; Leslie Dozono, Early Learning Action Alliance; and Amy Blondin, Department of Early Learning.

**Persons Signed In To Testify But Not Testifying:** Guyanthony Paramore; and Kayle Troester.

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Early Learning & Human Services. Signed by 18 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Carlyle, Cody, Dunshee, Green, Haigh, Hudgins, Hunt, Jinkins, Kagi, Maxwell, Morrell, Pedersen, Pettigrew, Seaquist, Springer and Sullivan.

**Minority Report:** Do not pass. Signed by 13 members: Representatives Alexander, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Dahlquist, Fagan, Haler, Harris, Parker, Pike, Ross, Schmick and Taylor.

**Staff:** Wendy Polzin (786-7137).

### **Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Early Learning & Human Services:**

The Appropriations Committee recommended a second substitute bill that makes changes to the Legislative task force by: adding a new member to the task force; adding the development of an implementation plan; adding required components of the implementation plan; adding a due date to the Legislature for the implementation plan of December 12, 2013; adding a task to the technical working group of the task force; and adding that the plan must be authorized by the Legislature.

The Appropriations Committee's second substitute bill also makes the following changes:

- removes all provisions requiring the Department of Early Learning (DEL) to distribute new funding for the Working Connections Child Care (WCCC) program and the Early Childhood Education and Assistance Program (ECEAP) through a competitive bidding process;
- removes the provision requiring the DEL to expand the ECEAP to serve families at or below 130 percent of the federal poverty level;
- removes the requirement to increase the base funding rate for ECEAP to the average Head Start funding rate;
- removes the 10 percent increase in the WCCC base subsidies effective in January 2014;
- changes the date from August 2013 to September 2013 for a 10 percent WCCC base subsidy rate increase and a 5 percent WCCC subsidy increase for child care providers reaching level two in the Early Achievers program;
- clarifies that tiered subsidy rate enhancements may be provided, subject to the availability of amounts appropriated for this specific purpose;

- specifies that exempt child care providers are required to participate in continuing education activities, if funds are available; and
- adds sectional null and void clauses to the sections on the ECEAP expansion, the WCCC base rate increase, Early Achievers level two increase, and tiered reimbursement.

**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on March 2, 2013.

**Effective Date of Second Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, section 4 relating to preschool expansion, section 8 relating to base rate increases and tiered reimbursement, and section 9 relating to subsidy rate increases, are null and void unless funded in the budget.

**Staff Summary of Public Testimony:**

(In support) The legislation provides a great start for children and families. It provides home visiting for families who need support. It also expands the Early Childhood Education and Assistance Program (ECEAP), which we know has produced good results, as well as helping children in child care with low income working parents. It is an effort to create an integrated high quality continuum in the state. It uses funding from Initiative-502 (I-502) to do this. Early Learning is the best prevention. High quality early learning programs for children birth to age 5 will lead to a number of benefits for children as they prepare to go to school and later in life. These include financial savings, improved achievements in school, higher graduation rates, and reductions in the use of the criminal justice system. These are targeted investments. Communities that are already doing this work are seeing remarkable results. Anacortes is a good example of a program like this improving readiness for Kindergarten. Low child care subsidies make it difficult for providers to stay in business. Children are in care eight to 10 hours a day, and access to high quality care reduces services that would need to be provided by the state. The subsidy increase will make early investments possible and allow providers to succeed in this program. The number of providers accepting subsidized care has been almost cut in half since 2010. Many centers have closed their doors to subsidized children. The 10 percent subsidy increase would help make accepting subsidized children a viable business decision.

At the time one girl started the ECEAP she was severely developmentally delayed and only spoke a few words, and she was stubborn and angry. Because of the therapy the ECEAP staff connected the family with, her behavior turned around 180 degrees. By the end of the year she was a new child; she is now in a regular classroom, rather than a special education room. The ECEAP should be available to all the families who need it. This legislation is a crime prevention bill. It assists children and families and will lead to less crime in the future, as well as being a benefit to taxpayers. The funding to implement the improvements comes from I-502. There is no better use of the revenue from I-502 than for youngsters enrolled in these programs. The private schools of Washington would like to be added to the task force created in the bill.

(Opposed) None.

**Persons Testifying:** Representative Kagi, prime sponsor; Frank Ordway, League of Education Voters; Edie Choate; Elizabeth Grillett; Laura Wells, Fight Crime: Invest in Kids; John Snaza, Thurston County Sheriff; and Suzie Hanson, Washington Federation of Independent Schools.

**Persons Signed In To Testify But Not Testifying:** None.