
Human Services & Early Learning Committee

HB 1391

Brief Description: Implementing improvements to the early achievers program as reviewed and recommended by the joint select committee on the early achievers program.

Sponsors: Representatives Senn, Dent, Eslick, Reeves, Pollet and Ortiz-Self.

Brief Summary of Bill

- Adjusts rating levels and associated deadlines for participants in the Early Achievers (EA) program.
- Directs the Department of Children, Youth, and Families to adopt policies related to providing incentives and removing barriers for child care and Early Childhood Education and Assistance Program providers participating in the EA program.

Hearing Date: 1/23/19

Staff: Dawn Eychaner (786-7135).

Background:

Working Connections Child Care (WCCC).

Working Connections Child Care (WCCC) is a federally and state-funded program that offers subsidies to childcare providers serving families with an income at or below 200 percent of the federal poverty level (FPL). The state pays part of the cost of childcare when a parent is employed, self-employed, or meets the requirements for Temporary Assistance for Needy Families or WorkFirst programs. The family is responsible for making a copayment to the childcare provider.

Facilities that have infants and toddlers receiving subsidy payments may be eligible for technical assistance through infant-toddler consultation.

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.

Subsidy Rates.

Federal Child Care and Development Fund rules require states to conduct a statistically valid and reliable child care market rate survey every three years. The federal Administration of Children and Families advises states to set child care rates at the 75th percentile of the private market rate in order ensure equal access for families with subsidized child care. Licensed family homes and child care centers are paid a full or half day rate based on the age of the child, region, and setting.

An enhanced special needs rate is provided for children who need a higher level of care in the child care setting. The child must have a verified physical, mental, emotional, or behavioral condition that requires a higher level of care.

Early Childhood Education and Assistance Program (ECEAP).

The Early Childhood Education and Assistance Program (ECEAP) is the state's voluntary preschool program. Three and four year-olds from families with incomes at or below 110 percent of the FPL are eligible for the ECEAP program. Children with special needs or certain risk factors are also eligible to enroll, regardless of income.

In 2014 the Washington State Institute for Public Policy (WSIPP) conducted a retrospective evaluation of ECEAP. The WSIPP found that the ECEAP has a positive impact on third, fourth, and fifth grade test scores.

The DCYF has developed a pathway for licensed or certified child care centers and homes to administer the ECEAP. The pathway includes accommodations for these providers to rate at a Level 4 or 5 in EA in order to qualify as ECEAP providers.

Early Achievers.

The Early Achievers (EA) program is Washington's Quality Rating and Improvement System for child care and early learning.

The Department of Children, Youth, and Families (DCFY) administers the EA program. The quality of care is assigned a rating on a scale of 1-5, with Level 1 being the minimum requirements for licensing, and Level 5 being the highest possible level of quality. Participation in the EA program is mandatory for all providers serving non-school-age children and accepting state subsidy payments.

Rating Levels and Deadlines.

The Early Achievers rating system has a total of 100 possible points that participants can earn. To rate at a Level 3, participants must earn 30-69 points. To rate at a Level 4, participants must earn 70-90 points. To rate at a Level 5, participants must earn 91-100 points.

Providers accepting subsidy must rate at specific levels by certain deadlines, as shown in the table below:

Provider Type		Rating Level Deadlines
Child care provider	Currently accepting subsidy	Level 3 or higher by December 31, 2019.
	Newly enrolled in EA	Level 3 or higher within 30 months of enrollment.
Early Childhood Education and Assistance Program (ECEAP) provider	Currently providing ECEAP	Must have rated at a Level 4 or higher by March 1, 2016.
	Newly enrolled in EA	Level 4 or higher within 12 months of enrollment.
	Child care provider newly enrolled as ECEAP provider	Level 4 or higher within 18 months of the start of the ECEAP contract.

If a child care provider accepting subsidy does not meet the rating deadline, the provider must complete remedial activities and rate at a Level 3 or higher within six months of beginning remedial activities.

Ratings are valid for three years, at which time a provider's rating must be renewed. A provider may request a re-rating outside of the regular rating and renewal cycle. The DCYF may charge a fee for a re-rating.

Provider Reimbursement and Incentives.

Tiered reimbursement: Participants can earn an increase to their subsidy base rate based on EA rating levels. This is referred to as tiered reimbursement. The following percentages are applied to the authorized base subsidy rates based on the rating level and licensed setting:

Increases to subsidy base rates by Early Achievers rating level and provider type		
	Child Care Center	Licensed Family Home
Level 2	2%	2%
Level 3	4%	10%
Level 4	10%	15%
Level 5	15%	20%

Professional development, coaching, and technical assistance: An objective of the EA program is to provide professional development and coaching opportunities to child care and early learning providers. Participants have access to training opportunities and education scholarships and grants to use towards bachelor degrees, associate degrees, and Early Childhood Education certificates.

Each participant is assigned a coach who provides technical assistance and helps the participant prepare for the EA rating process.

Quality Improvement Awards and needs-based grants:

- Quality Improvement Awards (QIA) may be awarded annually to providers. To be eligible, at least five percent of the children served by the provider must be receiving subsidy. The QIA must be used toward achievement of quality improvement goals outlines in a quality improvement plan. The QIA awards range from \$5,000 to \$9,000 for centers, and \$1,000 to \$2,750 for family home providers.
- Needs-based grants are available to assist providers at Level 2 with purchasing curriculum development, instructional materials, supplies, and equipment to improve program quality. Priority for the needs-based grants must be given to culturally diverse and low-income providers. A child care center may receive up to \$1,000, and a family home child care provider may receive up to \$750.

Joint Select Committee on the Early Achievers Program.

The Legislature established the Joint Select Committee on the EA program (Committee) to review the demand and availability of various types of child care and early learning programs and make recommendations related to the EA program. In January 2019, the Committee issued a final report and adopted recommendations.

Summary of Bill:

Rating Levels and Deadlines.

The DCYF must create an intermediate rating level that is between a Level 3 and a Level 4 and serves to assist participants in transitioning to Level 4.

A re-rating must be treated as a renewal for the purposes of DCYF required renewals. The DCYF must prioritize re-ratings for providers rated at a Level 2 and for providers rated at a Level 3 who are seeking to become ECEAP providers.

Rating deadlines for child care providers are adjusted as follows:

- A child care provider currently accepting subsidy must complete Level 2 activities and rate or request to be rated at a Level 3 by December 31, 2019, rather than be rated at a Level 3 by this date.
- A provider who does not meet this deadline must complete remedial activities and rate at or request to be rated at a Level 3 within 12 months rather than six months.
- A new child care provider accepting subsidy must rate or request to be rated at a Level 3 within 30 months of enrollment rather than be rated at a Level 3 by this date.

Rating requirements for ECEAP providers are adjusted as follows:

- A new ECEAP provider must rate at Level 4 or 5 within 24 months of enrollment rather than 12 months.
- A child care provider who is administering an ECEAP program must rate at a Level 4 or 5 within 24 months of the start date of the ECEAP contract rather than 18 months.
- When an ECEAP in good standing changes classroom locations and moves to a comparable or improved space within the same facility, a re-rating is not required outside of the regular rating cycle.

Provider Reimbursement and Incentives.

The DCYF must consider using the intermediate level between Level 3 and 4, incentives, and front-end funding to develop multiple pathways for child care providers interested in providing the ECEAP.

Needs-based grants may be used for physical improvements of early learning facilities.

The DCYF must adopt the following administrative policies in EA:

- Consider child care provider schedules and needs and allow flexibility when scheduling data collection and rating visits.
- Eliminate rating scale barriers and weight EA points to incentivize infant and toddler care.
- Remove barriers to timely approvals for one-on-one behavioral support assistants when requested by a provider.
- Require trauma informed care training for raters and coaches.
- Provide continuous and robust post-rating feedback to providers.

By December 1, 2019, the DCYF must:

- Deliver a plan to the Governor and the Legislature to pay providers an enhanced rate, award additional EA points, and create a corresponding trauma-informed care designation for providers serving behaviorally challenged children.
- Submit recommendations to the Governor and the Legislature related to paying child care providers a set monthly subsidy rate rather than a daily rate.

Other Provisions.

By December 1, 2019, the DCYF must implement a robust cross-accreditation process with multiple pathways that allows a provider to earn equivalent EA credit resulting from accreditation by high quality national organizations.

The DCYF must propose recommendations by December 1, 2019, for mitigating the "cliff effect" for child care subsidy consumers. The recommendations must consider how to further develop and implement a sliding scale or tiered reimbursement and phase out model that works for consumers and providers, whether or not changing the eligibility threshold for WCCC would allow parents to grow professionally without losing affordable child care, and whether further graduation of the copay scale would help alleviate the cliff that occurs at subsidy cutoff.

The WSIPP must update the outcome evaluation of the ECEAP published in 2014 by examining the short and long-term impacts on program participants, including high school graduation rates. The evaluation is due by December 31, 2021.

Outdated statutory references are corrected.

Appropriation: None.

Fiscal Note: Requested on January 18, 2019.

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