
Human Services & Early Learning Committee

HB 2661

Brief Description: Expanding accessible, affordable child care and early childhood development programs.

Sponsors: Representatives Senn, Chopp, Sullivan, Callan, Pettigrew, Mead, Davis, Appleton, Thai, Shewmake, Bergquist, Valdez, Walen, Goodman, Macri, Riccelli, Hudgins, Leavitt, Lekanoff, Pollet, Slatter, Kilduff, Dolan, Tarleton, Chapman, Stonier, Lovick, Robinson, Orwall, Gregerson, Ortiz-Self, Entenman, Fitzgibbon, Morgan, J. Johnson, Pellicciotti, Wylie, Peterson, Kirby, Duerr, DeBolt, Sells, Fey, Ryu, Doglio, Ramel, Ramos, Tharinger and Frame.

Brief Summary of Bill

- Increases eligibility for child care, early childhood development programs, and services for children and families.
- Provides for increased rates, training, grants, and services for early learning providers.
- Establishes new accounts and allowable fund uses.

Hearing Date: 1/21/20

Staff: Dawn Eychaner (786-7135).

Background:

Early Learning Advisory Council.

The Early Learning Advisory Council (ELAC) advises the Department of Children, Youth, and Families (DCYF) on statewide early learning issues. The ELAC membership includes representatives of state agencies, the Legislature, leaders in early childhood education, and other stakeholders.

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.

Subsidized Child Care.

Working Connections Child Care (WCCC) offers subsidies to child care providers serving families with incomes at or below 200 percent of the federal poverty level (FPL). The state pays part of the cost of childcare when a parent is working or participating in approved work-related activities. Depending on income, families may be required to pay a copayment to their provider.

The federal Administration of Children and Families advises states to set child care rates at the seventy-fifth 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.

Health Care for Providers.

Licensed family day care providers and license-exempt family, friend, and neighbor (FFN) providers who receive child care subsidies are represented by Service Employees International Union (SEIU) Local 925 for the purposes of collective bargaining with the state. The union bargains for subsidy rates, health benefits, and professional development opportunities. Providers are not required to join the union and do not pay dues unless they choose to join. The bargained agreement is subject to legislative approval. Child care centers are not covered under the agreement.

The state's Health Benefit Exchange (HBE) allows individuals to purchase health care coverage and compare health plans. Depending on income, coverage may be free through Medicaid or the individual may qualify for a subsidized premium or a cost-sharing reduction that lowers the cost of certain medical services.

Early Childhood Education and Assistance Program.

The Early Childhood Education and Assistance Program (ECEAP) is the state's voluntary preschool program. Three and 4-year-olds from families with incomes at or below 110 percent of the FPL are eligible for the ECEAP. Children with special needs or certain risk factors are also eligible to enroll, regardless of income. As space allows, over-income children may also enroll. In the 2022-23 school year, the ECEAP will become an entitlement for any eligible child.

Child Care Cost Model.

The Department of Commerce (COM) administers the Child Care Collaborative Task Force (CCCTF). The CCCTF is developing a child care cost estimate model (CCCEM) to determine the full costs providers incur when providing high quality child care. The model must include regional differences, employee salaries and benefits, enrollment levels, facility costs, and costs associated with regulatory and statutory requirements including quality rating system participation. The CCCEM is due to the Governor and Legislature by December 1, 2020, as part of a package of related findings and recommendations.

Early Learning Facilities Grants and Loans.

The COM administers the Early Learning Facilities Grant and Loan Program (ELFGLP), funded in part by the Early Learning Facilities Revolving Account. The ELFGLP provides grants and loans to eligible organizations to plan, renovate, purchase, and construct early learning facilities. Eligible organizations include WCCC and ECEAP providers, developers of housing and community facilities, community and technical colleges, educational service districts, local governments, federally recognized tribes, and religiously affiliated entities.

Early Achievers and Provider Support.

The Early Achievers (EA) program is Washington's Quality Rating and Improvement System for child care and early learning. Participation in the EA program is mandatory for all providers serving non-school-age children, including ECEAP contractors, who accept state subsidy payments.

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.

Shared Services Hubs.

In December 2018, the DCYF received a federal Preschool Development Grant Birth through Five award of \$5.3 million for planning and training activities related to integrating Washington's early learning system. In December 2019, the DCYF was awarded a three-year renewal grant of \$34 million. Developing shared services hubs for child care and early learning providers is identified as an activity under the grant. Shared services hubs are to be designed for financial and administrative capacity building and comprehensive services for providers, including mental health consultation and other supports.

Mental Health Consultation.

In 2019 the Legislature required the DCYF to contract to hire one mental health consultant for each of the six agency-designated regions. The mental health consultants must provide support and guidance on challenging behaviors to EA program coaches and child care providers.

The Early Childhood Intervention and Prevention Services Program.

The DCYF administers the Early Childhood Intervention and Prevention Services (ECLIPSE) program. The ECLIPSE program is delivered by two community-based programs that provide therapeutic child care and other specialized treatment services to abused, neglected, and at-risk children ages birth-five. Priority for the ECLIPSE program is given to children referred by a child welfare worker.

Summary of Bill:

The Fair Start for Kids Act is established for the stated purpose of aligning early learning services and programs into a high-quality continuum of care and education.

Accounts and Funding Allocations.

Fair Start for Kids Account.

The Fair Start for Kids Account is created effective July 1, 2022. The Legislature must consider recommendations for funding made by the Early Learning Advisory and Accountability Council (ELAAC) and must appropriate funds from the account for the following purposes:

- 55 percent to support child care access and affordability;
- 35 percent to increase and sustain child care supply and the early learning workforce;
and
- 10 percent to support children from prenatal to age three and their caregivers.

Each year five percent of quarterly revenue must be transferred to the Early Learning Facilities Revolving Account.

Every two years \$10 million must be transferred to the Early Learning Health Care Expansion Account (ELHCEA), with the stated intent to continue this funding until a health care funding plan for all child care providers is adopted.

Early Learning Health Care Expansion Account.

The ELHCEA is created effective July 1, 2022. Account expenditures may only be used to increase the number of family day care providers who receive health care benefits.

Beginning July 1, 2022, the DCYF must consult with the HBE to provide health care navigation assistance to child day care center providers, family day care providers, and ECEAP contractors and providers and must conduct an outreach and enrollment campaign to enroll providers through the Washington Health Plan Finder. By June 30, 2024, the HBE and the DCYF must jointly report the results of the campaign and recommendations to the Legislature.

Early Learning Advisory and Accountability Council.

Effective July 1, 2022, the ELAC is renamed as the Early Learning Advisory and Accountability Council (ELAAC). Additional duties of the ELAAC include oversight of the implementation of the early learning policies in this act and making biennial budget recommendations on early learning spending priorities to the Governor and the Legislature. Every five years the ELAAC must survey providers and families on early learning programs and policies developed under this act and incorporate results into ELAAC recommendations.

Membership of the former ELAC is adjusted to add representatives from the COM, the Office of Financial Management, an educational service district, a private philanthropic organization, an infant mental health specialist, a statewide association representing business interests, a business offering employer-supported child care, a representative of the statewide child care resource and referral organization, an organization focused on promoting literacy, a representative from the Washington State Office of Equity, a representative from the Washington State Women's Commission, and a representative of a statewide organization representing the interests of family day care providers. Representatives of a local education agency, a public-private partnership focused on early learning and the Washington Library Association are removed from the ELAAC.

Working Connections Child Care.

Beginning July 1, 2022, and subject to funds appropriated, a household is eligible for the WCCC program for a non-school age child when the household's annual income is at or below 85 percent of the state median income (SMI) and the household meets all other program eligibility requirements.

A household's monthly copayment must be calculated based on income as follows:

Income as a percent of the SMI	Copayment
At or below 36%	\$0

Above 36% and at or below 50%	\$15
Above 50% and at or below 65%	\$150
Above 65% and at or below 85%	To be determined. The DCYF must develop a copayment model.

The requirement that a full time student of a community, technical, and tribal college who is pursuing vocational education be a single parent in order to be exempt from WCCC program work requirements is removed. A definition of "homeless" for purposes of the WCCC program is added.

The Early Childhood Education and Assistance Program.

Beginning July 1, 2026, a child entitled to enroll in the ECEAP is expanded to include a child who is experiencing homelessness or has participated in the Early Head Start, Early Support for Infants and Toddlers, or the Birth-to-Three ECEAP Pilot program. The income of an entitled child must be at or below 36 percent of the SMI rather than 110 percent of the FPL.

The income measure for children allowed to enroll in the ECEAP is changed from the FPL to the SMI, adjusted for household size. A child may enroll, as space is available, if the family's income is above 36 percent of the SMI but less than or equal to 55 percent of the SMI.

A child who is eligible for the ECEAP maintains his or her eligibility until starting kindergarten.

Early Learning Rates and Financial Models.

Early Learning Subsidy Rates.

Beginning July 1, 2022, and subject to funds appropriated:

- Child care subsidy rates must achieve at least the 75th percentile of the private market rate until December 31, 2024. Beginning January 1, 2025, the DCYF must use the CCCEM to set subsidy rates at levels that are sufficient to compensate providers for the full costs of providing high quality care.
- The DCYF must provide a complex needs subsidy rate enhancement for providers designated as a trauma-informed care provider in the EA program. The rate enhancement may be used for screening tools and assessment materials, professional development and training, supportive services for children with complex needs, and wage increases for individual staff who have an infant and early childhood mental health credential.
- The DCYF must establish a dual language designation and rate enhancement for child care and ECEAP providers who are caring for a child from birth to age 5. To be eligible the provider must be enrolled in the EA program. Rate enhancements may be used to purchase dual language and culturally appropriate curricula, training, and instructional materials and to provide increased wages for individual staff who deliver bilingual instruction. The DCYF must consult with a stakeholder advisory group to develop dual language designation criteria.
- The DCYF must provide an infant-toddler rate enhancement for providers accepting state subsidy who are in good standing with EA and are caring for a child from birth to age 3.
- For the 2022-23 school year, ECEAP rates must be set at a rate higher than rates established in the 2019-21 State Omnibus Appropriations Act.

The following rates must be adjusted annually for inflation, subject to funds appropriated:

- complex needs rate enhancements;
- dual language rate enhancements;
- infant and toddler rate incentives; and
- ECEAP rates.

Financial Models.

By October 1, 2021, the DCYF must develop and deliver to the Governor and the Legislature financial models for calculating:

- the complex needs and dual language rate enhancements;
- WCCC copayments based on available revenue for households with annual incomes between 65 and 85 percent of the SMI. The model must calculate a household copayment that does not exceed 15 percent of household income; and
- rates for non-standard child care hours.

Grants for Early Learning Facilities, Operations, and Programming.

Start-up Grants.

The COM must award start-up grants from the Early Learning Facilities Grant and Loan Program (ELFGLP) to ECEAP and WCCC program providers. Start-up grants are limited to one grant per location per provider and must be used for one-time costs associated with a new site. Eligible uses of grant funds include purchase of equipment, supplies, dual language programming and other goods and services. The COM must adopt rules for start-up grants and must consider using the CCCEM to inform grant parameters.

Local Government Infrastructure Grants.

The maximum grant or loan amount for major construction, renovation, or purchase of early learning facilities through the ELFGLP is increased from \$800,000 to \$1 million. In addition, the ELFGLP may provide grants of up to \$1 million to local governments for public infrastructure improvements necessary to support these projects.

Early Childhood Equity Grants.

Subject to available funds, the DCYF must provide early childhood equity grants to support culturally and linguistically specific early learning, early childhood, and parent support programs. To be eligible for an equity grant, an applicant must be in good standing with EA. An eligible applicant may receive an equity grant once every two years. The DCYF must evaluate and rank applications in consultation with an advisory committee and submit a brief status report to the Governor and the Legislature each December in years after grants are awarded.

Technical Assistance for Employers.

Beginning July 1, 2022, and subject to funds appropriated, the COM must provide or contract to provide technical assistance to employers interested in supporting their employees' access to high quality child care. Technical assistance may include guidance related to operating a licensed child care center at or near the work place for the benefit of employees, financing and construction of a child care center, providing financial assistance to employees for child care expenses, sponsoring dependent care flexible spending accounts for employees, and developing "bring your infant to work" programs and other family-friendly policies.

Provider Training and Support.

Training Grants for Early Learning Providers.

Beginning July 1, 2022, and subject to funds appropriated, the DCYF must administer training grants for early learning providers that support providers in reaching EA professional education and training standards. Training grants must be used to augment existing EA scholarships for required trainings for early learning providers, including license-exempt FFN providers, and may be distributed to eligible providers as supplemental training awards. Supplemental training awards may be used on subjects such as small business management, providing care for children with developmental disabilities, and other topics. Eligible providers are employees and owners of child care centers and family homes accepting state subsidy, ECEAP contractors and providers, and EA coaches.

Shared Services Hubs.

Beginning July 1, 2022, and subject to funds appropriated, the DCYF must provide one or more shared services hubs that allow pooling and shared use of services by child care centers and family home providers. Shared services hubs may provide three categories of services: (1) comprehensive services, examples of which may include health screenings, mental health consultation, and coordination with resource and referral systems; (2) business services, including human resources, payroll, and business coaching and training; and (3) pedagogical resources, examples of which include leadership development, reflective supervision, and training.

The DCYF must report to the Governor and the Legislature by December 1, 2025, on the effectiveness of the service hub model and make recommendations for improvements, changes, or expansion of the model.

Mental Health Consultation.

Beginning July 1, 2022, and subject to funds appropriated, the DCYF must provide mental health consultation services to early learning providers through shared services hubs. Consultation services must be delivered in coordination with existing mental health consultation for EA coaches and providers. The DCYF must provide supervisors for mental health consultants. As capacity allows, the DCYF may provide access to mental health consultation services for license-exempt FFN providers.

Early Interventions and Family Support.

Prenatal to Three Family Engagement Strategy.

Beginning July 1, 2022, and subject to funds appropriated, the DCYF must administer a prenatal to age 3 family engagement strategy to support expectant parents, babies and toddlers from birth to age 3, and parents and caregivers.

Components of the strategy must include supports and services to improve maternal and infant health outcomes, reduce and mitigate trauma, promote attachment and other social-emotional assets, strengthen parenting skills, and provide other early interventions.

Services and supports may include parent skill-based programs and training, facilitated play and learn groups, parent peer support groups, and other prenatal to three programs and services.

Trauma and Complex Needs Programs.

Beginning July 1, 2022, and subject to funds appropriated, the DCYF must administer trauma and complex needs programs, such as the ECLIPSE program, and other early intervention services for children who are:

- between birth to age 5;
- referred by a child welfare worker, social worker, primary care physician, behavioral health provider, or a public health nurse due to risk of child abuse or neglect or exposure to complex trauma; and
- enrolled in Apple Health for Kids.

The DCYF must make an effort to deliver the trauma and complex needs programs and other early intervention services in areas of the state with the highest need and greatest local interest.

Miscellaneous.

Statutory content is reorganized and conforming amendments are made.

Appropriation: None.

Fiscal Note: Requested on January 16, 2020.

Effective Date: This bill contains multiple effective dates. Sections 206, 303, 310, and 312, relating to sections requiring financial models, take effect July 1, 2021, sections 201 through 205, 207, 208, 301, 302, 308, 309, 311, 313 through 320, and 401 through 410, relating to accounts and funding allocations, the ELAAC, WCCC, subsidy rates, grants, technical assistance for employers, provider training and support, early interventions and family supports, and conforming amendments take effect July 1, 2022, and sections 304-307, relating to sections relating to the ECEAP, take effect July 1, 2026.