

SENATE BILL REPORT

E2SHB 1391

As Reported by Senate Committee On:
Early Learning & K-12 Education, March 20, 2019
Ways & Means, April 9, 2019

Title: An act relating to implementing improvements to the early achievers program as reviewed and recommended by the joint select committee on the early achievers program.

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

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Senn, Dent, Eslick, Reeves, Pollet and Ortiz-Self).

Brief History: Passed House: 3/05/19, 96-0.

Committee Activity: Early Learning & K-12 Education: 3/15/19, 3/20/19 [DPA-WM, w/oRec].

Ways & Means: 3/25/19, 4/09/19 [DPA, w/oRec].

Brief Summary of Amended Bill

- Makes a number of changes to Early Achievers, the state's quality rating and improvement system for early child care and education.
- Requires certain reports regarding Working Connections Child Care and the Early Childhood Education and Assistance Program.
- Establishes a work group to study the financial impacts and benefits of child care licensing regulations and participating in Early Achievers.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Wellman, Chair; Wilson, C., Vice Chair; Hawkins, Ranking Member; Hunt, McCoy, Mullet, Pedersen, Salomon and Wagoner.

Minority Report: That it be referred without recommendation.

Signed by Senator Padden.

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.

Staff: Ailey Kato (786-7434)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Bailey, Becker, Billig, Carlyle, Conway, Darneille, Hunt, Keiser, Liias, Palumbo, Pedersen, Rivers, Schoesler, Van De Wege, Wagoner and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senators Braun, Ranking Member; Hasegawa.

Staff: Maria Hovde (786-7474)

Background: Early Achievers. This program is the state's quality rating and improvement system for early child care and education. The Department of Children, Youth, and Families (DCYF) administers the program in partnership with other organizations. Child Care Aware provides coaching to participating providers and the University of Washington conducts the ratings of child care and early education facilities. 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.

Early Achievers Rating Deadlines. In 2015, the Early Start Act required licensed child care and early learning providers serving non-school-age children and receiving state subsidies to be enrolled in Early Achievers and meet certain rating deadlines. Subsidy providers must rate at level three or higher by December 31, 2019.

National Accreditation. DCYF must accept national accreditation meeting certain requirements as a qualification for the Early Achievers program ratings. DCYF must grant credit to accreditation bodies demonstrating their standards meet or exceed the current Early Achievers program standards.

Needs-Based Grants. These grants are available for providers at level 2 to assist with purchasing curriculum development, instructional materials, supplies, and equipment to improve program quality.

Working Connections Child Care. This federally and state-funded program provides child care subsidies to families with an income at or below 200 percent of the federal poverty level—\$51,500 for a family of four. The state pays part of the cost of childcare when a parent is employed, self-employed, or in approved activities unless the family has received child welfare, child protective, or family assessment response services in the previous six months. The family is responsible for making a copayment to the child care provider based on the family's countable income.

Early Childhood Education and Assistance Program Evaluation. The Early Childhood Education and Assistance Program (ECEAP) is a state-funded voluntary preschool program serving children ages three and four from low-income households, eligible for special

education, or who have other risk factors. In 2014, the Washington State Institute for Public Policy (WSIPP) conducted a retrospective evaluation of ECEAP. WSIPP found ECEAP has a positive impact on third-, fourth-, and fifth-grade test scores.

Joint Select Committee on Early Achievers. The Early Start Act established this committee to review the demand and availability of child care and early learning programs. The committee adopted 28 recommendations related to Early Achievers, WCCC, and ECEAP.

Summary of Amended Bill: Early Achievers Rating Deadlines. New ECEAP providers must rate at a level 4 or 5 within 24 months of enrollment, instead of 12 months. Licensed child care providers administering ECEAP must rate at a level 4 or 5 within 24 months, instead of 18 months.

When an ECEAP provider is in good standing and changes locations to a comparable or improved space within the same facility, a rerating is not required outside of the regular rating and renewal cycle if certain requirements are met.

Existing subsidy providers must rate or request to be rated at a level 3 or higher by December 31, 2019. If a child care provider does not meet this deadline, the provider must complete remedial activities and must rate at a level 3 or higher no later than December 30, 2020, instead of June 30th. If needed, new child care providers have twelve months instead of six months to complete remedial activities and rate at a level 3 or higher.

Reratings must reset the rating cycle timeline for participants. Passed rating deadlines are removed.

Subject to appropriations, DCYF must adopt administrative policies to:

- eliminate rating scale barriers and weight Early Achievers points to incentivize providers to serve infants and toddlers; and
- remove barriers to timely approvals for one-on-one behavioral support assistants when required by a provider.

Within existing funding, DCYF must adopt administrative policies to:

- allow flexibility when scheduling data collection and rating visits;
- prioritize reratings for providers rated at a level 2 and those at a level 3 that want to become ECEAP providers;
- provide continuous and robust post-rating feedback to providers; and
- by December 1, 2019, evaluate options and propose recommendations related to paying child care subsidy providers a set monthly rate rather than a daily rate.

Early Achievers Intermediate Level. DCYF must establish an intermediate level in between level 3 and 4 to assist participants in transitioning to level 4. DCYF must consider using this intermediate level, incentives, and front-end funding to encourage licensed or certified child care centers and family home providers to become ECEAP providers.

National Accreditation. By December 1, 2019, and subject to appropriation, DCYF must submit a detailed plan to implement a robust cross-accreditation process with multiple

pathways allowing a provider to earn equivalent Early Achievers credit resulting from accreditation by high quality national organizations.

Needs-Based Grants. These grants are no longer limited to providers at level 2. These grants may assist with environmental improvements of early learning facilities and focused infant-toddler improvements.

Trauma-Informed Care. By December 1, 2019, and subject to appropriation, DCYF must submit a plan to pay providers an enhanced rate, award additional Early Achievers points, and create a corresponding trauma-informed care designation for providers serving behaviorally challenged children. DCYF must adopt a policy to require trauma-informed care training for Early Achievers raters and coaches.

Working Connection Child Care. Subject to appropriation, DCYF must deliver a report that includes an analysis of consumer income and copay requirements and recommendations for mitigating the cliff effect for child care subsidy consumers. A progress report is due July 1, 2020, and a final report is due July 1, 2021.

Early Childhood Education and Assistance Program Evaluation. DCYF must deliver a report that includes:

- recommendations related to differential slot rates for ECEAP based on variable factors; and
- a plan for blending child care development funds and ECEAP funds to provide extended day slots in ECEAP.

A progress report is due July 1, 2020, and a final report is due July 1, 2021.

By December 31, 2021, and subject to appropriation, WSIPP must update the outcome evaluation of ECEAP and report on the outcomes of program participants. The evaluation must examine short and long-term impacts on program participants, including high school graduation rates for up to two cohorts. When conducting the evaluation, WSIPP must consider, to the extent data is available, the education levels of ECEAP staff and the effects of full-day programming and half-day programming on outcomes and must include the demographics, including race, ethnicity, and socioeconomic status, of program participants and staff.

Cost of Child Care Regulations Work Group. A work group, staffed by DCYF, is established to study:

- the benefits and financial impacts of licensing regulations on child care businesses;
- direct and indirect financial costs to child care providers associated with Early Achievers; and
- benefits to providers associated with participation in Early Achievers.

The work group must consist of certain members, including four legislators, and must meet at least six times. The work group must submit its findings and recommendations by May 31, 2020.

EFFECT OF WAYS & MEANS COMMITTEE AMENDMENT(S):

- Makes the following requirements of DCYF subject to appropriations:
 - Submitting a detailed plan to implement a robust cross-accreditation process;
 - Submitting recommendations for mitigating the cliff effect;
 - Submitting a plan to pay providers an enhanced rate, award additional early achievers points, and create a trauma-informed care designation for providers serving behaviorally challenged children; and
 - Adopting administrative policies to eliminate rating scale barriers and weight early achievers points to incentivize service to infants and toddlers, remove barriers to timely approvals for one-on-one behavioral support assistants when requested by a provider, and require trauma-informed care training for raters and coaches.
- Requires DCYF, within existing funding, to adopt administrative policies for flexible scheduling of data collecting and rating visits, prioritize re-ratings for providers rated level 2 or level 3, provide continuous and robust post-rating feedback to providers, and submit recommendations related to paying providers a monthly rather than a daily rate.
- Makes the WSIPP update of the ECEAP outcome evaluation subject to appropriation.
- Adds language requiring the Cost of Child Care Regulations Work Group to review the benefits of regulations on child care businesses as well as the financial impacts.

EFFECT OF EARLY LEARNING & K-12 EDUCATION COMMITTEE AMENDMENT(S):

- Requires DCYF to submit a progress report by July 1, 2020, and a final report by July 1, 2021, instead of one report due in 2019, that includes recommendations regarding Working Connections Child Care and ECEAP.
- Makes changes to the Cost of Child Care Regulations Work Group: (1) specifies that the work group must meet six, instead of five, times; (2) provides that the meetings must occur by January 31, 2020, instead of November 30, 2019; (3) requires the work group to submit a report by May 31, 2020, instead of December 31, 2019; and (4) expires the work group on July 1, 2020, instead of January 10, 2020.

Appropriation: The bill contains a null and void clause requiring specific funding be provided in an omnibus appropriation act.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: Yes.

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

Staff Summary of Public Testimony on Engrossed Second Substitute House Bill (Early Learning & K-12 Education): *The committee recommended a different version of the bill than what was heard.* PRO: Children are spending many hours in child care during years when their brain is rapidly developing. Less than half of children entering kindergarten are ready for school. Providers are greatly increasing the quality of their programs in Early Achievers. This bill is based on unanimous recommendations from the joint select committee and provides tweaks to Early Achievers that will help providers. Providers are

discouraged and fatigued because of the lack of support for career growth and abysmal take-home pay. Early Achievers coaches can support these providers and improve their approach to serving children and families. Child care providers are burdened with the costs of licensing regulations and participating in Early Achievers. These costs can be offset by increasing base rates for subsidized child care and moving to a monthly rate like private pay. Some of the DCYF report deadlines should be pushed out. Provider deadlines to comply with new licensing regulations should be delayed.

Persons Testifying (Early Learning & K-12 Education): PRO: Representative Tana Senn, Prime Sponsor; Emily Murphy, Children's Alliance; Frank Ordway, DCYF; Julie Schroath, Washington Childcare Centers Association; Mary Curry, SEIU 925—Family Home Provider; Dani Hoffman, Child Care Resources; Ryan Pricco, Child Care Aware of Washington; Sabrina Green, Squaxin Island Child Development Center.

Persons Signed In To Testify But Not Testifying (Early Learning & K-12 Education): No one.

Staff Summary of Public Testimony on Bill as Amended by Early Learning & K-12 Education (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: In Washington, 61 percent of children are in families who need access to child care. Children in child care spend, on average, 33 hours per week in care while 90 percent of their brain develops before they ever enter Kindergarten. Less than half of children are ready for success in school. The quality in child care has a big impact on the expenditures for K-12 education. Early Achievers is how we expand high quality child care. Early Achievers is supporting over 70 percent of all child care businesses and over 74,000 kids across the state. The Joint Select Committee found that the system is working, it just needs some adjustments to reach more people and this bill accomplishes that. As a toddler teacher, the support received through the Early Achievers coach allowed growth in the skill set as an educator. Coaches have the opportunity to create and foster collaborative relationships with early educators. Teachers feel overworked, underpaid, and do not have the support they need to be successful in their programs. There is a lack of quality infant and toddler programs that are accessible to the community. In addition to rate increases, coaching leads to better retention of providers and consistent care for children. Early Achievers has provided ideas to educators for implementing a higher level of care and education. These quality standards raise the bar of care for all children but subsidy rates are so much lower than market rate. Many providers are opting out of accepting subsidy rates in order to stay financially viable. Additional federal dollars allowed for an increase in subsidy rates to the 45th percentile of the market but this still leaves many providers in the Seattle and Tacoma area unable to take subsidy enrollment. Rates that are at the 75th percentile of the market would dramatically improve access. Stable monthly billing and other components would help build trust in the provider community.

Persons Testifying (Ways & Means): PRO: Ryan Pricco, Child Care Aware; Dani Hoffman, Child Care Resources; Tina Kendall, Owner, Valued Kids; Julie Schroath, Washington Child Care Association.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.