

# SENATE BILL REPORT

## HB 2619

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As Passed Senate, March 4, 2020

**Title:** An act relating to increasing early learning access through licensing, eligibility, and rate improvements.

**Brief Description:** Increasing early learning access through licensing, eligibility, and rate improvements.

**Sponsors:** Representatives Shewmake, Chapman, Ramel, Springer, Van Werven, Senn, Doglio, Goodman and Tharinger.

**Brief History:** Passed House: 2/13/20, 95-2.

**Committee Activity:** Early Learning & K-12 Education: 2/24/20, 2/28/20 [DP-WM].

Ways & Means: 2/29/20, 3/02/20 [DP].

**Floor Activity:**

Passed Senate: 3/04/20, 47-0.

### Brief Summary of Bill

- Allows child care subsidy rates to be equal to or higher than private pay rates in order to support quality.
- Allows child care licenses to be transferred to a new licensee when there is a transfer of ownership.
- Directs the Department of Children, Youth, and Families to provide recommendations to improve access to child care in rural areas.
- Establishes a two-year pilot project to create a dual license for foster care and child care.

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### SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

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

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

**Staff:** Ailey Kato (786-7434)

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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.*

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## SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Becker, Billig, Carlyle, Conway, Darneille, Hasegawa, Hunt, Keiser, Lias, Muzzall, Pedersen, Schoesler, Van De Wege, Wagoner, Warnick and Wilson, L..

**Staff:** Sarah Emmans (786-7478)

**Background:** Early Childhood Education and Assistance Program. This state-funded voluntary preschool program serves children ages three and four from low-income households, eligible for special education, or who have other risk factors. Current law provides for ECEAP to become an entitlement in the 2022-23 school year for eligible children.

DCYF rules provide that enrolled children maintain their eligibility for ECEAP until kindergarten, without reverification of income or risk factors. All previously enrolled children returning for a new school year may be reprioritized against new children when enrollment slots are limited.

Subsidy Rates. The federal Child Care and Development Fund (CCDF) is the primary funding source for subsidized child care. CCDF requires states to conduct a child care market rate survey every three years and encourages states to set child care rates at the seventy-fifth percentile of the private market rate to ensure equal access for families with subsidized child care. States are required to set base subsidy payment rates at levels sufficient to support implementation of health, safety, and quality requirements even if those rates are higher than private pay rates.

In Washington State, DCYF rules prohibit paying a provider a subsidy rate that is equal to or higher than the provider's private pay rate, with limited exceptions.

Child Care Licenses. An individual or entity that provides child care and early learning services for a group of children, birth through 12, must be licensed by DCYF unless they are exempt from licensing. Full child care licenses continue to remain valid if the licensee meets the requirements for non-expiring licenses, which are submitting:

- an annual licensing fee;
- a declaration of the intent to continue operations and compliance with all licensing rules; and
- background check applications.

Current law does not allow child care licenses to be transferred.

Foster Care Licenses. Individuals can apply for a foster parent license directly to DCYF or through a child-placing agency. Individuals must meet certain requirements, and a license is valid for three years.

Child Care Regional Assessment. By July 1, 2020, the Department of Commerce must submit a regional assessment of the child care industry. The assessment must include certain components including trends in the relationships between private pay rates and subsidy rates and a facilities needs assessment by zip code to identify geographic areas with concentrated barriers to access.

**Summary of Bill:** Early Childhood Education and Assistance Program. A child who is eligible at the time of enrollment in ECEAP maintains program eligibility until the child begins kindergarten.

Subsidy Rates. Subject to appropriations, DCYF may pay child care centers and family home providers a subsidy rate that is equal to or higher than the provider's private pay rate in order to support high quality care and the implementation of health, safety, and quality requirements.

Transferring of Child Care Licenses. Full child care licenses may be transferred to a new licensee in the event of a transfer of ownership of a child care operation.

Recommendations. By November 1, 2020, DCYF must provide the Legislature with recommended child care licensing innovations designed to improve access to care in rural areas of the state. The recommendations must include estimated costs and any necessary statutory changes.

Dual License Pilot Project. By July 1, 2020, DCYF must establish a two-year pilot project to create a dual license that allows individuals to receive a combined foster care and child care license. To implement the pilot project, DCYF:

- must consult with stakeholders;
- may adopt rules; and
- may waive or adapt licensing requirements.

DCYF must provide a brief status report by July 1, 2021. By November 1, 2022, DCYF must recommend whether the pilot project should be made permanent.

**Appropriation:** The bill contains a section or sections to limit implementation to the availability of amounts appropriated for that specific purpose.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony (Early Learning & K-12 Education):** PRO: Investments in early learning saves money in other areas such as special education and incarceration. This bill is specifically designed to address a number of issues that impact rural areas of the state, but it can help providers throughout the state. This bill acknowledges that private-pay families often carry the burden of low subsidy reimbursement rates. Low

subsidy rates impact the ability for centers to pay decent wages to staff, which often results in high turnover.

**Persons Testifying (Early Learning & K-12 Education):** PRO: Representative Sharon Shewmake, Prime Sponsor; Julie Schroath, Washington Childcare Centers Association.

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

**Staff Summary of Public Testimony (Ways & Means):** None.

**Persons Testifying (Ways & Means):** No one.

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