

SENATE BILL REPORT

SB 5484

As Reported by Senate Committee On:
Early Learning & K-12 Education, February 4, 2019
Ways & Means, February 26, 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: Senators Wilson, C., Billig, Takko, Keiser, Hunt, Kuderer and Wellman.

Brief History:

Committee Activity: Early Learning & K-12 Education: 1/28/19, 2/04/19 [DPS-WM, w/oRec].

Ways & Means: 2/13/19, 2/26/19 [DP2S, w/oRec, DNP].

Brief Summary of Second Substitute 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.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: That Substitute Senate Bill No. 5484 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

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

Minority Report: That it be referred without recommendation.

Signed by Senator Padden.

Staff: Ailey Kato (786-7434)

SENATE COMMITTEE ON WAYS & MEANS

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.

Majority Report: That Second Substitute Senate Bill No. 5484 be substituted therefor, and the second substitute bill 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; Bailey, Becker, Billig, Carlyle, Conway, Darneille, Hunt, Keiser, Liias, Palumbo, Pedersen, Rivers, Van De Wege, Wagoner, Warnick and Wilson, L..

Minority Report: That it be referred without recommendation.

Signed by Senator Schoesler.

Minority Report: Do not pass.

Signed by Senators Honeyford, Assistant Ranking Member, Capital; 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 work 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 Bill (Second Substitute): 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 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 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. An ECEAP provider must notify DCYF within six months of changing locations, and DCYF must conduct an observational visit. If a provider fails to notify, the rating must be changed to "Participating, Not Yet Rated" and the provider will cease to receive tiered reimbursement incentives until a new rating is completed.

Existing subsidy providers must complete Level 2 activities and 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 30. 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 funds appropriated for this specific purpose, 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 requested by a provider.

Within existing funding, DCYF must adopt administrative policies to:

- allow flexibility when scheduling data collection and rating visits at child care facilities;
- prioritize reratings for providers rated at a Level 2 and those at a Level 3 that want to become ECEAP providers; and
- provide continuous and robust postrating feedback to providers.

Early Achievers Intermediate Level. DCYF must establish an intermediate level in between Level 3 and 4 and serves 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 participate in a pathway to become ECEAP providers.

National Accreditation. By December 1, 2019, and subject to funds appropriated specifically for this purpose, 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 funds appropriated specifically for this purpose, 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. By December 1, 2019, and subject to funds appropriated specifically for this purpose, DCYF must analyze consumer income and copay requirements in WCCC and report recommendations for mitigating the cliff effect for child care subsidy consumers. Recommendations must consider:

- how to further develop and implement a sliding scale or tiered reimbursement and phase-out model;
- whether or not increasing or decreasing 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.

By December 1, 2019, and within existing appropriations, DCYF must evaluate options and propose recommendations related to paying child care subsidy providers a set monthly rate rather than a daily rate.

Early Childhood Education and Assistance Program Evaluation. By December 31, 2021, and subject to funds appropriated specifically for this purpose, 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. WSIPP is also required to include in the outcome evaluation the demographics, including race, ethnicity, and socioeconomic status, of participants and program staff.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Second Substitute): DCYF is required, subject to appropriations, to:

- submit a detailed plan to implement a robust cross-accreditation process;
- submit recommendations for mitigating the cliff effect;
- submit 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

- adopt 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.

DCYF is required, 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.

The WSIPP update of the ECEAP outcome evaluation is subject to appropriations.

EFFECT OF CHANGES MADE BY EARLY LEARNING & K-12 EDUCATION COMMITTEE (First Substitute):

- Provides that an Early Achievers rerating resets the rating cycle timeline for participants rather than be considered a renewal.
- Specifies that DCYF must submit a detailed plan to the Governor and Legislature detailing a robust cross-accreditation process by December 1, 2019, rather than implement a process by that date.
- Adds that a provider must notify DCYF when an ECEAP program moves to a new facility within six months to retain the existing rating; requires an observational visit; and ceases tiered reimbursement incentives if the provider fails to notify until a new rating is completed.
- Allows a new child care provider who rates below a Level 3 to rate or request to be rated at Level 3 or higher within 12 months, instead of 6 months, of beginning remedial activities.
- Provides that DCYF must continue to prioritize resources to assist providers to reach a rating of Level 3 or higher not only during the first 30 months of implementation of Early Achievers.
- Removes the limitation that needs-based grants be for providers at Level 2.
- Allows needs-based grants to be used for environmental, instead of physical, improvements and infant-toddler improvements.

Appropriation: None.

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 on Original Bill (Early Learning & K-12 Education): *The committee recommended a different version of the bill than what was heard.* PRO: In order to get a high return on investment for early learning, the quality of the program must be high. This bill makes improvements to Early Achievers, which helps providers improve the quality of care. It is important to increase child care subsidy base rates, especially for infant and toddler care, so children get the education they deserve. Rates

should also be increased for before and after care. A 3.5 rating would help providers given the large span of points for Level 3. The rating window should be shortened. The joint select committee should continue into the future.

OTHER: If subsidy rates are not increased, providers will only be able to accept private pay families. Early Achievers and the accreditation process should not be redundant.

Persons Testifying (Early Learning & K-12 Education): PRO: Senator Claire Wilson, Prime Sponsor; Emily Murphy, Children's Alliance; David Foster, Washington State Alliance of YMCA, KinderCare; Julie Schroath, Washington Childcare Centers Association; Ryan Pricco, Child Care Aware of Washington.

OTHER: Suzie Hanson, Washington Federation of Independent Schools.

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

Staff Summary of Public Testimony on First Substitute (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: This bill incorporates steps that will make the early learning system better for kids. The number one, unanimous recommendation of the Joint Select Committee on Early Achievers was to increase the compensation rates of providers to the 75th percentile of their markets which is not in this bill but all other recommendations are included. Early Achievers is working. Eighty-seven percent of providers are rating level 3 or above and 96 percent of East African providers are rating at level 3 or above. This illustrates that tailored coaching is working and it is supporting the diversity of the workforce. The intermediate level will do a lot to help motivate providers to achieve higher levels of quality. The trauma-informed training and designation will help support providers in serving more children. These investments are critical to make high quality child care available to children. We need to increase compensation for all providers in order to truly increase quality. Current rates are about 10 percent of market rates. We appreciate the look at copays in order to eliminate the benefits cliff. In some cases, copays are \$700 per month which is a lot for a low-income family. We would like to see another Joint Select Committee meet in another two years to ensure that things are continuing to run smoothly and to look at professional development of the workforce.

Persons Testifying (Ways & Means): PRO: Emily Murphy, Children's Alliance; Sarah Brady, Child Care Resources.

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