

HOUSE BILL REPORT

E2SSB 5237

As Reported by House Committee On:
Children, Youth & Families
Appropriations

Title: An act relating to expanding accessible, affordable child care and early childhood development programs.

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

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Wilson, C., Dhingra, Das, Billig, Conway, Darneille, Hasegawa, Hunt, Keiser, Kuderer, Lias, Lovelett, Nguyen, Nobles, Pedersen, Saldaña and Salomon).

Brief History:

Committee Activity:

Children, Youth & Families: 3/18/21, 3/24/21 [DPA];

Appropriations: 4/1/21 [DPA(CYF)].

**Brief Summary of Engrossed Second Substitute Bill
(As Amended By Committee)**

- Establishes a new account for child care and early learning purposes and includes a nonexhaustive list of spending goals and strategies.
- Expands eligibility and decreases copayments in the Working Connections Child Care Program and expands eligibility in the Early Childhood Education and Assistance Program.
- Provides for increased rates, training, grants, supports, and services for child care and early learning providers.
- Increases supports for families of children from birth to age 3, as well as for providers.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

HOUSE COMMITTEE ON CHILDREN, YOUTH & FAMILIES

Majority Report: Do pass as amended. Signed by 7 members: Representatives Senn, Chair; Harris-Talley, Vice Chair; Rule, Vice Chair; Callan, Goodman, Ortiz-Self and Wicks.

Minority Report: Do not pass. Signed by 6 members: Representatives Dent, Ranking Minority Member; Chase, Assistant Ranking Minority Member; McCaslin, Assistant Ranking Minority Member; Eslick, Klippert and Young.

Staff: Lena Brodsky (786-7192).

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 certain stakeholders.

Subsidized Child Care.

Working Connections Child Care (WCCC) is a federally and state-funded program that provides subsidies for child care to families with incomes at or below 200 percent of the federal poverty level (FPL). The state pays part of the cost of child care 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. Under the DCYF rule, copayments are calculated as follows:

If income is:	Then the copayment is:
At or below 82 percent of the FPL	\$15
Above 82 percent of the FPL up to 137.5 percent of the FPL	\$65
Above 137.5 percent of the FPL through 200 percent of the FPL	The dollar amount is equal to subtracting 137.5 percent of the FPL from countable income, multiplying by 50 percent, then adding \$65

The DCYF may not require an applicant or consumer to meet work requirements as a condition of receiving the WCCC program benefits when the recipient is a single parent; a full-time student of a community, technical, or tribal college; and pursuing vocational education that leads to a degree or certificate in a specific occupation, not to result in a bachelor's or advanced degree.

The Department of Commerce (COM) administers the Child Care Collaborative Task Force (Task Force). The Task Force was directed to develop a child care estimate model to determine the full costs providers would incur when providing high-quality child care. The Task Force began developing the model but was unable to collect financial information from providers as originally planned due to the COVID-19 pandemic.

Early Childhood Education and Assistance Program.

The Early Childhood Education and Assistance Program (ECEAP) is the state's voluntary preschool program. Three to 5-year-old children who are not age-eligible for kindergarten and who are 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. In the 2022-23 school year, the ECEAP will become an entitlement for eligible children. The DCYF rules allow children who do not meet the definition of "eligible child" to enroll in the ECEAP, as space is available, if the family income is:

- above 110 percent of the FPL but less than 130 percent of the FPL; or
- above 130 percent of the FPL but less than 200 percent of the FPL if the child meets at least one of the specified risk factors.

The DCYF rules allow children to enroll in the ECEAP, as space is available, when the child is not eligible under RCW 43.216.505 and the child turns age 3 at any time during the school year when the child has a family income at or below 200 percent of the FPL or meets at least one risk factor and has received services from or participated in the:

- Early Support for Infants and Toddlers (ESIT) program;
- Early Head Start (EHS) or a successor federal program; or
- Birth-to-Three ECEAP.

Birth-to-Three Early Childhood Education and Assistance Program.

In 2019 the DCYF was directed to develop a plan for phased implementation of a Birth-to-Three ECEAP pilot project for eligible children under 36 months old. To be eligible, a child's family income must be at or below 130 percent of the FPL.

Infant and Early Childhood Mental Health Consultation.

In 2019 the DCYF was directed to enter into a contractual agreement to hire one qualified mental health consultant for each of the six DCYF-designated regions. The consultants must support the Early Achievers (EA) program coaches and child care providers by providing resources, information, and guidance regarding challenging behavior and expulsions.

Early Childhood Intervention and Prevention Services Program.

The DCYF administers the Early Childhood Intervention and Prevention (ECLIPSE) program, an early intervention/prevention program delivered by two community-based programs. The ECLIPSE program provides therapeutic child care and other specialized treatment services to families and children from birth to age 5 who are at risk of child abuse and neglect and may be experiencing behavioral health issues due to exposure to toxic

stress.

Early Achievers and Provider Support.

The 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 the 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.

Income Measures.

Federal poverty guidelines are used to determine financial eligibility for certain programs. For a family of three, the 2021 poverty guideline is \$21,960.

In the National School Lunch Program, students whose families have income at or below 130 percent of the FPL are eligible for free meals. Students whose families have income between 130 percent and 185 percent of the FPL are eligible for reduced-price meals.

The Washington State Department of Social and Health Services publishes a state median income (SMI) chart. For a family of three, the 2021 SMI is \$86,340. For a family of three, 36 percent of the SMI converts to 142 percent of the FPL, and 50 percent of the SMI converts to 197 percent of the FPL.

Legislative Balanced Budget Requirement.

The Legislature must adopt a four-year balanced budget as follows:

- The Legislature must enact a balanced omnibus operating appropriations bill that leaves, in total, a positive-ending fund balance in the general fund and related funds.
- The projected maintenance level of the omnibus appropriations bill enacted by the Legislature shall not exceed the available fiscal resources for the next ensuing fiscal biennium.

The term "related funds" means the Washington Opportunity Pathways Account, the Workforce Education Investment Account, and the Education Legacy Trust Account (Legacy Account).

Summary of Amended Bill:

Fair Start for Kids Account, Spending Goals and Strategies, and Oversight.

The Fair Start for Kids Account (Kids Account) is created, and expenditures from the account may be used only for child care and early learning purposes. A nonexhaustive list of spending goals and strategies for the Kids Account is specified. The Kids Account is added to the definition of related funds, which includes it in the legislative balanced budget requirement.

Early Learning Advisory Council.

The ELAC must:

- assist in policy development and implementation with the overall goal of promoting school readiness for all children;
- provide annual recommendations, beginning August 31, 2022, regarding the phased implementation of strategies and priorities identified in the Kids Account, recognizing that capacity must be developed and revenue expanded;
- maintain a focus on racial equity inclusion in order to dismantle systemic racism at its core and contribute to statewide efforts to break the cycle of intergenerational poverty;
- maintain a focus on inclusionary practices for children with disabilities;
- partner with nonprofit organizations to collect and analyze data and measure progress; and
- assist the DCYF in monitoring and ensuring that the investments support certain policy objectives.

In collaboration with the ELAC, the DCYF must consult its advisory groups and stakeholders and submit a biennial report describing how the investments have impacted the policy objectives. The first report is due to the Governor and the Legislature by September 15, 2023.

The ELAC must convene a temporary licensing subcommittee to provide feedback and recommendations to the DCYF on improvement to the statewide licensing process. The subcommittee must:

- examine strategies to increase the number of licensed child care providers;
- develop model policies for licensed child care providers to implement licensing standards;
- develop recommendations regarding incentives and financial supports to help prospective providers; and
- provide feedback and recommendations to the DCYF by December 1, 2022.

Membership of the ELAC is adjusted to add certain representatives, and appointment authority is modified. The ELAC may convene advisory groups, such as a parent caucus, to evaluate specific issues.

Education Legacy Trust Account.

Funding for early learning and child care programs is added to the list of expenditures from the Legacy Account.

Working Connections Child Care.

Beginning July 1, 2025, a family is eligible for the WCCC program when the household's annual income is at or below 75 percent of the SMI adjusted for family size and the household meets other eligibility requirements. Subject to appropriations, beginning July 1, 2025, a family is eligible when the household's annual income is above 75 percent of the

SMI and is at or below 100 percent.

The DCYF must calculate a household's monthly copayment according to a phased-in schedule:

Beginning date:	If the household's income is:	Then the household's copayment is:
Beginning July 1, 2021	At or below 36 percent of the SMI	Waived to the extent allowable under federal law
Beginning July 1, 2021	Above 36 percent and at or below 50 percent of the SMI	\$65
Beginning July 1, 2023	Above 50 percent and at or below 60 percent of the SMI	\$165
Beginning July 1, 2025	Above 60 percent and at or below 75 percent of the SMI	\$215

The DCYF must adopt a copayment model based on available revenue for households with annual incomes above 75 percent and at or below 100 percent of the SMI. The model must calculate a copayment for each household that is no greater than 7 percent of the household's countable income within this income range.

The DCYF must adopt rules, including phase-out eligibility, to implement.

Working Connections Child Care Student Parents.

Beginning July 1, 2021, and subject to appropriations, the DCYF may not require an applicant or consumer to meet work requirements as a condition of receiving the WCCC program benefits when the applicant or consumer is a full-time student of a community, technical, or tribal college, and is enrolled in:

- a vocational education program that leads to degree or certificate in a specific occupation;
- an associate degree program; or
- a registered apprenticeship program.

Subject to appropriations, the DCYF may extend these provisions to full-time students enrolled in a bachelor degree program or applied baccalaureate program.

Child Care Subsidy Rates.

Beginning July 1, 2021, child care subsidy base rates must achieve the eighty-fifth percentile of market for licensed or certified child care providers. The state and the exclusive representative for family child care providers must enter bargaining over the implementation of the subsidy rate increase to the eighty-fifth percentile of market.

The DCYF must build upon the work of the Task Force to develop and implement a child

care cost estimate model and use the completed model to recommend subsidy rates that are sufficient to compensate for the full costs of providing high-quality child care.

Nonstandard Hours Care.

By January 1, 2022, the DCYF must develop and submit a rate model for nonstandard child care hours to expand the supply after-hours care.

Early Childhood Education and Assistance Program.

The entitlement for the ECEAP is delayed to the 2026-27 school year. Beginning July 1, 2026, the definition of "eligible child" for purposes of entitlement in the ECEAP is expanded to include a child who:

- has a family with financial need;
- is experiencing homelessness;
- has participated in the:
 - EHS or a successor federal program;
 - ESIT program;
 - Birth-to-Three ECEAP; or
 - ECLIPSE program;
- received class C developmental services; or
- is Indian as defined in the DCYF rule and is at or below 100 percent of the SMI.

The term "family with financial need" is defined as families with incomes at or below 36 percent of the SMI until the 2030-31 school year. Beginning in the 2030-31 school year, it means families with incomes at or below 50 percent of the SMI.

The ECEAP enrollment is expanded so that the DCYF is required to adopt rules that allow children who do not meet the definition of "eligible child" to enroll, if space is available, if the family income is above 36 percent but at or below 50 percent of the SMI, and the child meets at least one of specified risk factors. Expanded enrollment ends August 1, 2030.

Early Entry Early Childhood Education and Assistance Program.

The DCYF must adopt rules to allow children to enroll in the early ECEAP, as space is available, when the child turns age 3, and whose family income is at or below 50 percent of the SMI or meets one of the specified risk factors and has participated in the EHS program, the ESIT program, the Birth-to-Three ECEAP, the ECLIPSE program, or received class C developmental services.

Supporting Child Care and Early Learning Providers.

For the 2021-22 school year, the ECEAP rates must be set at a level at least 10 percent higher than the rates established in the 2019-21 Operating Budget.

Complex Needs Funds. The DCYF must administer two complex needs funds to promote inclusive, least restrictive environments and to support contractors and providers serving children who have developmental delays, disabilities, behavioral needs, or other unique

needs. The DCYF must work collaboratively with the Office of the Superintendent of Public Instruction and providers so that the funds best serve the children. One fund must support the ECEAP and the Birth-to-Three ECEAP, and one fund must support child care programs.

Trauma-Informed Care Supports. Beginning July 1, 2022, the DCYF must provide supports to aid eligible providers in providing trauma-informed care. Supports include additional compensation for specialty credentials, professional development and training, screening tools and assessment materials, supportive services, and other related expenses.

Dual Language Rate Enhancement. Beginning July 1, 2022, the DCYF must establish a dual language designation and provide subsidy rate enhancements or site-specific grants for child care providers, the ECEAP contractors, or the Birth-to-Three ECEAP contractors.

Infant and Early Childhood Mental Health Consultation. The DCYF must administer or contract for these consultation services to child care and early learning providers in the EA program. Beginning July 1, 2021, the DCYF must have or contract for one infant and early childhood mental health coordinator and must enter into a contract with an organization providing the EA program coaching services to hire at least 12 consultants. The DCYF must determine, in collaboration with the statewide child care resources and referral network, where the additional consultants should be sited based on factors such as the total provider numbers overlaid with indicators of highest need.

Equity Grants. Subject to appropriations, the DCYF must distribute early childhood equity grants to eligible applicants who may receive a grant once every two years. The DCYF must administer the grants to support inclusive and culturally and linguistically specific programs.

Play and Learn Groups. Subject to appropriations, the DCYF must provide or contract to provide resources and supports for inclusive and culturally and linguistically relevant play and learn groups.

Professional Development. Subject to appropriations, the DCYF must provide professional development supports to aid eligible providers in reaching the professional education and training standards adopted by the DCYF. Professional development supports may include training, the EA program scholarships, community-based training pathways, supporting a nonprofit organization that provides relationship-based professional development support to providers, and other activities. The term "eligible provider" means:

- an owner of a licensed or certified child care center, licensed or certified outdoor nature-based care, or a licensed family home provider accepting state subsidy;
- an employee of a licensed or certified child care center, licensed or certified outdoor nature-based care, or a licensed family home provider;
- a contractor or provider of the ECEAP or the Birth-to-Three ECEAP; or
- an EA program coach.

Negotiated Rulemaking with Child Care Centers. When the DCYF elects to engage in negotiated rule making, it must include the largest organization representing child care center owners and directors; the largest organization representing supervisors, teachers, and aides; and other affected interests before adopting requirements that affect child care center licensees.

Capacity Flexibility for Family Home Providers. The DCYF may waive the restriction on family home providers that limits the providers from serving not more than 12 children. The DCYF must establish conditions for such waivers by rule and must assess, at minimum, the provider's available square footage and staffing capabilities prior to issuing any waiver of the limit of 12 children.

Prenatal-to-Three Supports.

Subject to appropriations, the DCYF must administer a prenatal-to-three family engagement strategy to support expectant parents, babies and toddlers from birth to age 3, and their caregivers.

Subject to appropriations, the Birth-to-Three ECEAP pilot project is made permanent. To be eligible for the program, a child's family income must be at or below 50 percent of the SMI.

Infant Care Rate Enhancement. Beginning July 1, 2022, the DCYF must provide an infant rate enhancement for licensed or certified child care providers and the Birth-to-Three ECEAP contractors that are caring for a child from birth to age 11 months.

Early Therapeutic and Preventative Services. Subject to appropriations, the DCYF must administer early therapeutic and preventative services programs, such as the ECLIPSE program, and other related services for children from birth to age 5 who have been referred by certain people due to risk of child abuse or neglect, exposure to complex trauma, or significant developmental delays.

Subject to appropriations, the DCYF must make all reasonable efforts to deliver the ECLIPSE program statewide. These services must focus first on children and families furthest from opportunity as defined by income and be delivered by programs that emphasize racial equity.

Inflationary Adjustments.

Beginning July 1, 2023, and subject to appropriations, rates paid for the ECEAP, dual language enhancement, the Birth-to-Three ECEAP, and infant rate enhancement must be adjusted every two years according to an inflationary increase.

Collective Bargaining Agreements.

Nothing in the act changes the DCYF's responsibility to collectively bargain over

mandatory subjects or limits the Legislature's authority to make programmatic modifications to licensed child care and early learning programs consistent with legislative reservation of rights.

Employer-Supported Child Care.

Subject to appropriations, the COM, in collaboration with the DCYF, must provide or contract to provide remote or in-person technical assistance to employers interested in supporting their employees' access to high-quality child care.

Conforming amendments are made. A statute that appears twice in the code is merged. A federal severability clause is included.

Amended Bill Compared to Engrossed Second Substitute Bill:

Four new spending goals and strategies for the Kids Account are specified:

- providing child care subsidies for families working to resolve homelessness;
- allowing the exploration of options to provide regulatory relief and make licensing more affordable;
- studying and evaluating options to incentivize business participation; and
- providing start-up grants to eligible organizations for one-time start-up costs.

Membership for the ELAC is specified as members essential to coordinating services statewide prenatal through age 12, rather than through age 5.

Funding for early learning and child care programs is added to the list of expenditures from the Legacy Account.

The WCCC program eligibility is changed, so that, beginning July 1, 2025, a family is eligible for the WCCC program when the household's annual income is at or below 75 percent of the SMI adjusted for family size and the household meets other eligibility requirements. Subject to appropriations, beginning July 1, 2025, a family is eligible when the household's annual income is above 75 percent of the SMI and is at or below 100 percent.

The direction to DCYF to calculate a household's monthly copayment according to a phased-in schedule is also adjusted accordingly:

Beginning date:	If the household's income is:	Then the household's copayment is:
Beginning July 1, 2021	At or below 36 percent of the SMI	Waived to the extent allowable under federal law
Beginning July 1, 2021	Above 36 percent and at or below 50 percent of the SMI	\$65
Beginning July 1, 2023	Above 50 percent and at or	\$165

	below 60 percent of the SMI	
Beginning July 1, 2025	Above 60 percent and at or below 75 percent of the SMI	\$215

The DCYF must adopt a copayment model based on available revenue for households with annual incomes above 75 percent and at or below 100 percent of the SMI. The model must calculate a copayment for each household that is no greater than 7 percent of the household's countable income within this income range.

Beginning July 1, 2021, and subject to appropriations, the DCYF may no longer require an otherwise eligible consumer who is a full-time student be in good standing to receive the WCCC program benefits.

Early entry ECEAP is no longer subject to appropriations funded for this specific purpose, and the DCYF must adopt rules that allow a child to enroll in the ECEAP, as space is available, when the child turns age 3, and whose family income is at or below 50 percent, instead of 100 percent, of the SMI or meet one of the specified risk factors and has participated in the EHS program, the ESIT program, the Birth-to-Three ECEAP, the ECLIPSE program, or received class C developmental services.

For child care subsidy rates, the state and the exclusive representative for family child care providers must enter bargaining over the implementation of the subsidy rate increase to the eighty-fifth percentile of market. Language is also added that the child care subsidy rate increase will not interfere with, impede, or any way diminish the right of family child care providers to bargain collectively with the state through the exclusive bargaining representatives.

No longer subject to appropriations funded for this specific purposes, the DCYF must administer two complex needs funds to promote inclusive, least restrictive environments and to support contractors and providers serving children who have developmental delays, disabilities, behavioral needs, or other unique needs. The DCYF must work collaboratively with the Office of the Superintendent of Public Instruction and providers so that the funds best serve the children.

Beginning July 1, 2022, the DCYF must establish a dual language designation and provide site-specific grants, as an alternative option to subsidy rate enhancements, for child care providers, the ECEAP contractors, or the Birth-to-Three ECEAP contractors.

No longer subject to appropriations for this specific purpose, the DCYF must administer or contract for infant and early childhood mental health consultation services to child care and early learning providers in the EA program. Beginning July 1, 2021, the DCYF must have or contract for one infant and early childhood mental health coordinator and must enter into a contract with an organization providing the EA program coaching services to hire at least 12 consultants. The DCYF must determine, in collaboration with the statewide child care

resources and referral network, where the additional consultants should be sited based on factors such as the total provider numbers overlaid with indicators of highest need.

Supporting a nonprofit organization that provides relationship-based professional development support to providers is added to the list of included professional development supports. An eligible provider to receive professional development support from the DCYF is specified as:

- an owner of a licensed or certified child care center, licensed or certified outdoor nature-based care, or a licensed family home provider accepting state subsidy;
- an employee of a licensed or certified child care center, licensed or certified outdoor nature-based care, or a licensed family home provider;
- a contractor or provider of the ECEAP or the Birth-to-Three ECEAP; or
- an EA coach.

When the DCYF elects to engage, instead of being required to engage, in negotiated rulemaking, it must include certain organizations and other affected interests before adopting requirements that affect child care center licensees.

A new section is added providing that the DCYF may waive the restriction on family home providers that limits the providers from serving not more than 12 children. The DCYF must establish conditions for such waivers by rule and must assess, at minimum, the provider's available square footage and staffing capabilities prior to issuing any waiver of the limit of 12 children.

A "school age child" means a child who is age 5 through 13, rather than 12, years of age and is attending a public or private school or is receiving home-based instruction.

Conforming and technical changes are made.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 9, 2021.

Effective Date of Amended Bill: The bill contains multiple effective dates.

Staff Summary of Public Testimony:

(In support) This bill addresses the stabilization and expansion of the child care industry, makes child care more affordable, makes child care and early learning more accessible, and strengthens prevention and intervention services. Two of the differences in this bill are the addition of the licensing subcommittee and the supports for youth development. This bill is the culmination of hundreds of hours of work and is a game-changer for families and children across the state.

This bill is important for working moms. It is really difficult to find quality and affordable child care. Women are often left wondering if they should give up on their careers and stay home with their children, because they cannot afford quality child care. Child care was already in crisis before COVID-19. The COVID-19 pandemic has made it clear how critical affordable and accessible child care is to the community and the economy. Now, after COVID-19, there are even fewer child care professionals when there is a need for more providers to allow parents to go back to work. Child care providers are largely women and women of color and have been declared essential workers, but they have not been paid fairly by the state for their work. There is support for this bill because it supports providers by increasing subsidy rates and enhancements for additional skills. The bill also makes child care more affordable for families by expanding eligibility and reducing copayments. The bill provides stabilization for the child care field. Washington will not have a successful economic recovery from the pandemic without affordable child care that the workforce can access. The policies in this bill will go a long way to increase accessible, affordable child care in the state.

Early learning has positive effects on children and families; it allows children to get the foundation that they need for a positive outcome in their education. The families and children that are served by the ECEAP have needs that would go unmet without these programs. Priorities for a strong and high quality early learning support system that are addressed in this bill include systems supports, child care subsidy and copay supports, continued and sustained funding for the ECEAP, and racially and culturally specific programs that changes lives. The Birth-to-Three ECEAP benefits children with developmental disabilities, as well as the state. About a quarter of the children who receive those services do not require specialized services when they enter kindergarten through twelfth grade education. There is appreciation for the fact that, under the bill, the ELAC will be required to maintain a focus on inclusionary practices for children with developmental disabilities and racial equity. There is a strong need to increase access to infant and early childhood mental health consultation services.

(Opposed) There is appreciation for the funding elements in the bill; however, there is concern about the strings attached to the funding. The ELAC oversight in the bill oversees the privately-owned businesses, churches, and nonprofit organizations providing care. There is concern about the policies that possibly mandate the dismantling of systemic racism and questions about how this will be implemented. Section 104 of the bill should be removed. This section assumes that many of the child care facilities have institutionalized or systemic racism.

Persons Testifying: Persons Testifying: (In support) Senator Wilson, prime sponsor; Diana Stadden, The Arc of Washington State; Amy Anderson, Association of Washington Business; Aida Rodriguez, Service Employees International Union 925; John Welch, Puget Sound Educational Service District; Patty Liu, MomsRising; Fajar Farimin, Child Care Resources; Sheryl Fryberg, Betty J. Taylor Early Learning Academy; Luc Jasmin; Pamela

Williams; and Jessica Heavner.

(Opposed) Margaret Lee; and Sharon Hanek.

Persons Signed In To Testify But Not Testifying: Angela Jones, Washington STEM; Val Mullen; Dawn Land; and Jessica Thompson.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended by Committee on Children, Youth & Families. Signed by 19 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Chopp, Cody, Dolan, Fitzgibbon, Frame, Hansen, Johnson, J., Lekanoff, Pollet, Ryu, Senn, Springer, Stonier, Sullivan and Tharinger.

Minority Report: Do not pass. Signed by 7 members: Representatives Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Chandler, Dye, Hoff, Jacobsen and Schmick.

Minority Report: Without recommendation. Signed by 7 members: Representatives Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Boehnke, Caldier, Harris, Rude and Steele.

Staff: Jordan Clarke (786-7123).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Children, Youth & Families:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 9, 2021.

Effective Date of Amended Bill: The bill contains multiple effective dates.

Staff Summary of Public Testimony:

(In support) This bill makes investments in the largely women- and women of color-dominated profession. The bill funds Working Connections rates at the eighty-fifth percentile of market rate. Service Employees Union International 925 members are shifting their businesses to private pay only or leaving the industry because the current rates do not make sense. For one provider, the yearly difference between the private rates and subsidy rates is about \$11,000 per year. Low rates mean that providers need to charge their private-pay families more, and it is difficult to keep quality staff because providers cannot pay their

staff enough. Many providers still make less than minimum wage, especially as COVID-19 has increased costs for cleaning, buying disposable supplies, and accommodating school-age children during school closures.

The bill makes historic investments in affordable child care, preschools, and prenatal to age 5 supports. Importantly, the bill raises Working Connections Child Care rates to the eighty-fifth percentile of market rates this year, which is vital to stabilize the child care crisis so families and businesses can get back to work. This immediate rate increase will make it possible to serve more families through reduced copayments. The bill also includes Early Childhood Education and Assistance Program expanded enrollment and rate increases, and the final bill should include the strong language access provisions that were included in both House Bill 1213 and in the proposed House budget as passed by the Appropriations Committee.

The bill is a great investment in the industry, but the state needs to stabilize the profession first so that there are providers available to serve the families that are newly eligible or that did not use the subsidy program before because the copayments were too high. Child care is critical to this state's recovery. Pass the Fair Start for Kids Act to ensure that all children have the opportunity to thrive.

(Opposed) None.

Persons Testifying: Erin Haick Service Employees International Union 925; and Emily Murphy, Children's Alliance and Early Learning Action Alliance.

Persons Signed In To Testify But Not Testifying: None.