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**Children, Youth & Families Committee**

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**HB 1213**

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

**Sponsors:** Representatives Senn, Chopp, Ramos, Bateman, Sells, Shewmake, Lekanoff, Peterson, Stonier, Duerr, Fitzgibbon, Berry, Rule, Davis, Wicks, Fey, Callan, Dolan, Frame, Lovick, Chapman, Ryu, Santos, Thai, Ortiz-Self, Orwall, Simmons, Slatter, Gregerson, Bergquist, Hackney, Valdez, Ramel, Riccelli, Macri, Goodman and Harris-Talley.

**Brief Summary of Bill**

- Increases 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, and services for child care and early learning providers.
- Establishes a new account for child care and early learning purposes and includes a nonexhaustive list of allowable fund uses.
- Increases supports for families of children from birth to age 3 as well as their providers.

**Hearing Date:** 1/21/21

**Staff:** Lena Brodsky (786-7192).

**Background:**

Early Learning Advisory Council.

The Early Learning Advisory Council (ELAC) advises the Department of Children, Youth, and

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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 part of the legislation nor does it constitute a statement of legislative intent.*

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 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 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 WCCC 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 COVID-19.

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. 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.

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 department-designated regions. The consultants must support Early Achievers (EA) 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 Program program, which is delivered by two community-based programs that provide therapeutic child care and other specialized treatment services to families and children who have had exposure to complex trauma.

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 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 FPL are eligible for reduced-price meals.

The Washington State Department of Social and Health services publishes a state median income chart. For a family of three, the 2021 state median income (SMI) is \$86,340. For a family of three, 36 percent of the SMI converts to 136 percent of FPL, and 50 percent of the SMI converts to 189 percent of the FPL.

**Summary of Bill:**

Fair Start for Kids Account and Early Learning Advisory Council.

This account is created, and expenditures from the account may be used only for child care and early learning purposes including a non-exhaustive list of allowable uses.

The role of the Early Learning Advisory Council (ELAC) is amended to provide guidance and recommendations on phasing in child care and early learning priorities as system capacity is

developed and revenue is expanded, keep racial equity inclusion at its core, and exercise fiscal accountability for the investments funded by the Fair Start for Kids Account and ensure the investments are producing specified results.

Membership of the ELAC is adjusted to add certain representatives, such as a representative from the Department of Commerce (COM), a pediatrician, and two representatives from an association representing business interests. The ELAC may convene advisory groups to evaluate specific issues, and the ELAC must annually report its findings and recommendations.

Expanding Access to Child Care and Early Learning Program.

By July 1, 2025, a family is eligible for Working Connections Child Care (WCCC) when the household's annual income is at or below 85 percent of the state median income (SMI), the child receiving care is: (1) age 13 or younger, or (2) age 19 or younger and has a verified special need or is under court supervision, and the household meets other eligibility requirements. Subject to appropriations, a family is eligible when the household's annual income is above 85 percent and at or below 100 percent of the SMI.

A household's monthly copayment must be calculated 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	\$0
Beginning July 1, 2021	Above 36 percent and at or below 50 percent of the SMI	\$15
Beginning July 1, 2023	Above 50 percent and at or below 75 percent of the SMI	\$115
Beginning July 1, 2025	Above 75 percent and at or below 85 percent of the SMI	\$165
Beginning July 1, 2025	Above 85 percent and at or below 100 percent of the SMI	Calculated according to a copayment model adopted by the DCYF. The copayment can be no greater than 7 percent of the household's income.

Working Connections Child Care Student Parents.

Beginning July 1, 2023, the DCYF may not require an applicant or consumer to meet work requirements as a condition of receiving WCCC 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.

The income measure for children allowed to enroll in the Early Childhood Education and Assistance Program (ECEAP) is changed from the federal poverty level (FPL) to the SMI, adjusted for household size.

#### Child Care Subsidy Rates.

By July 1, 2021, child care subsidy base rates must achieve the 75th percentile of market for licensed or certified child care providers. By July 1, 2023, child care subsidy base rates must achieve the 85th percentile of market for providers.

The DCYF must build upon the work of the Child Care Collaborative Task Force to develop 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.

Beginning July 1, 2026, the definition of "eligible child" for purposes of entitlement in the ECEAP is expanded. 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 less than or equal to 100 percent of the SMI, and the child meets at least one of specified risk factors.

Subject to appropriations, families who are allowed to enroll in the ECEAP must pay a monthly tuition copayment according to a model adopted by the DCYF. Each family's copayment must be no greater than 7 percent of the family's countable income.

#### Supporting Child Care and Early Learning Providers.

For the 2021-22 and 2022-23 school years, ECEAP rates must be set at a level at least 5 percent higher than the rates established in the 2019-21 operating budget. For the 2023-24 school year, rates must be set at a level at 10 percent higher than 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. One fund must support the ECEAP, and one fund must support child care programs.

*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.

By July 1, 2022, the DCYF must:

- provide supports to aid eligible providers in providing trauma-informed care. Supports include wage increases for specialty credentials, professional development and training,

- screening tools and assessment materials, supportive services, and other related expenses;
- establish a dual language designation and provide a subsidy rate enhancement for child care providers, ECEAP contractors, or Birth-to-Three ECEAP contractors; and
- have one infant and early childhood mental health coordinator and must enter into a contract with an organization providing (EA) coaching services to hire at least two consultants for each of six designated regions.

*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.

*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.

*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.* 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, EA scholarships, community-based training pathways, and other activities.

#### Perinatal-to-Three Supports.

Subject to appropriations, the DCYF must administer a perinatal-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.

By July 1, 2021, the DCYF must provide an infant rate enhancement for licensed or certified child care providers and Birth-to-three ECEAP contractors accepting state subsidy and caring for children between birth and 17 months.

Subject to appropriations, the DCYF must administer early therapeutic and preventative services and programs, such as the Early Childhood Intervention and Prevention Services (ECLIPSE) program, for children between birth and age 5 who are referred by certain people due to risk of child abuse or neglect, exposure to complex trauma, or significant developmental delays, and enrolled in apple health for kids.

#### Collective Bargaining Agreements.

To the extent practicable, parties should consider in collective bargaining agreements, beginning

in the 2023-35 fiscal biennium, implementation of trauma-informed care supports, dual language rate enhancements, and infant care incentives.

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

**Fiscal Note:** Requested on January 14, 2021.

**Effective Date:** The bill contains multiple effective dates. Please refer to the bill.