



Joint Task Force on Child Care Improvements for the Future

Report and Recommendations to
the Legislature

December 2013



WASHINGTON STATE
LEGISLATURE

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I. Introduction

Second Substitute Senate Bill 5595 (2SSB 5595) establishes a joint legislative Task Force entitled Child Care Improvements for the Future. Drawing upon the diverse expertise of legislators, stakeholders, state-agency partners, providers and parents, the Task Force's mandate is to examine an array of administrative and programming components associated with child care services in Washington. This directive is situated within a larger legislative and early learning narrative that aims to use data and empirical evidence to enhance existing state preschool and child care programs in a manner that bolsters desired outcomes for children, parents, and communities. The specific legislative mandates are as follows:

- The creation of a tiered reimbursement model that works for both consumers and providers and provides incentives for quality child care across communities;
- The development of recommendations for market rate reimbursement to allow access to high quality child care;
- The development of recommendations for a further graduation of the copay scale to eliminate the cliff that occurs at subsidy cut off;
- The development of recommendations and an implementation plan for expansion of the program referred to in RCW 43.215.400 to include a mixed delivery system that integrates community-based early learning providers, including but not limited to family child care, child care centers, schools, and educational services districts. Recommendations shall include:
 - Areas of alignment and conflicts in restrictions and eligibility requirements associated with early learning funding and services;
 - A funding plan that blends and maximizes existing resources and identifies new revenue and other funding sources; and
 - Incentives for integrating child care and preschool programming to better serve working families.

Informative and rich discussion emerged from Task Force membership and community attendees. Task Force meetings covered a range of topics; however, the themes of incentivizing quality, integration of preschool and child care, stability of care, continuity of care, and financial stability for providers and parents remained central to many discussions. Task Force members were also in agreement that the state's early learning model should be child-focused, parent-friendly, and supportive to early learning and child care practitioners. Task Force members stressed that high quality programming should be respectful, culturally responsive, reflect the needs of local communities, and be mindful of the needs of all children, including school-aged youth. Finally, high quality early learning and care programming should prioritize serving the most vulnerable children.

This report begins by offering a brief synopsis of past legislation that pertains to early learning and care programs. The report then is divided by the themes of promoting the continuity and stability of care, improving financial stability for providers and parents, incentivizing quality and preschool and child care integration. Embedded within each themed section are recommendations either considered or identified by Task Force membership.

II. Legislative Background

ESSB 5828 (2007) directed the Department of Early Learning (DEL) to implement a quality rating and improvement system (QRIS) called Early Achievers. The legal objectives of the Early Achievers framework include:

- To provide parents accessible information about the quality of programs their children are attending;
- Enhance the improvement in early learning programs in the state;
- Increase school-readiness for children;
- Close the disparity in access to quality care;
- Establish a common set of expectations and standards that define, measure, and improve the quality of early learning settings.

E2SHB 3141 (2010) established a 12-month authorization period under the Working Connections Child Care (WCCC) program for eligible families with children enrolled in the Early Childhood Education and Assistance Program (ECEAP), Head Start, or Early Head Start.

ESSB 5715 (2012) required DEL to adopt core competencies for early care and education professionals and child and youth development professionals and incorporate the core competencies into all appropriate professional development opportunities including, but not limited to, QRIS, ECEAP, child care licensing, and Early Support for Infants and Toddlers.

3ESSB 5034 (2013) the 2013-15 operating budget increased the state child care subsidy full-day and half-day maximum rates for licensed providers and the hourly rate for license exempt providers by 2%. The budget also provides an additional 2% bonus for licensed providers enrolled in the Early Achievers program. Providers must complete level 2 and advance to level 3 or above within 30 months.

The Washington State Institute for Public Policy is directed to conduct a comprehensive retrospective outcome evaluation and return on investment analysis for ECEAP. The evaluation is due December 15, 2014.

SB 5904 (2013) included several provisions with the goal of increasing quality and access to ECEAP, specifically the bill:

- Requires the DEL to increase enrollments in the ECEAP by 10 percent from the 2011-2013 biennium enrollments, subject to the availability of amounts appropriated for this specific purpose.
- Requires the DEL to increase rates paid for early learning enrollments by 10 percent from the 2011-2013 biennium, subject to the availability of amounts appropriated for this specific purpose.
- Requires the DEL and the Office of Financial Management to develop an implementation plan for the expansion of ECEAP by September 2013.
- Requires that the Washington State Institute for Public Policy conduct a retrospective outcome study and return on investment analysis of ECEAP.

2SHB 1723 (2013) requires all state preschool programs that receive state funds to enroll in Early Achievers by 2015.

2SSB 5595 (2013) established the legislative Task Force on Child Care Improvements for the Future to address recommendations and report to the Governor and the legislature no later than December 31, 2013. The bill also requires DEL and the Department of Social and Health Services (DSHS) to provide professionalism training to its employees when providing services to families applying for or receiving WCCC benefits and implements several recommendations from the Aclara Group report to streamline WCCC services.

III. Promoting the Continuity and Stability of Care

One of the main tenets of a successful child care system is stability of care for the child and parents. The federal Office of Child Care strongly encourages States, Territories, and Tribes to develop and implement policies that promote continuity within the child care system. The Washington legislature has also directed the DEL to establish policies in the WCCC program to promote stability and quality care for children from low income households.

Stability in child care is important in two respects: one, to support low-income parents in finding and maintaining stable employment in order to attain economic self-sufficiency; and second, for the long-term development and school readiness of the child. Research shows that children have better educational and developmental outcomes when they have continuity in their child care arrangements (Information Memo 2011-06).

Notwithstanding the directives to promote stability of care, this stability has not always come to fruition. A study of low-income families in Oregon found that half of low income families approved to receive a subsidy, received the subsidy for three months or less and within a twelve month period, 70 percent changed providers at least one time (Weber 2005). Other studies have found subsidy spells ranging from three to seven months with families often coming back for subsequent spells (Adams 2010).

The reasons children do not have continuity of care can vary greatly and there can be a number of contributing factors. An internal review of cases within WCCC revealed some of the more frequent reasons people leave the program are because the person is no longer using TANF services, no longer working, or no longer using child care. However, policy experts suggest state policies can be changed to provide some support in increasing the continuity and stability of care.

Ways in which state policy could be changed to accomplish this goal in Washington came up frequently in the Task Force meetings. Participants also believe that if WCCC is to be successfully integrated with other early learning programs such as ECEAP and Head Start, eligibility must be further aligned with those programs.

The Task Force recommends the following policy options:

- **Implement a 12-Month Enrollment Certification Period:** Under federal law, the state can determine the frequency of eligibility reviews for WCCC. DSHS conducts eligibility reviews every 12 months and certifies eligibility up to 12 months, however, under certain circumstances, eligibility will be terminated if the parent does not comply with copay requirements or does not meet other eligibility requirements related to family size, income and approved activities. The Task Force recommends streamlining the reasons for which a parent might lose their eligibility certification within the 12-month period, more specifically:
 - **Allow retention of enrollment during Temporary Changes:**
A parent may experience temporary circumstances that impact eligibility. For example, a parent may have a medical emergency, be on maternity leave, or be off work an extended period of time for surgery. Benefits may be continued for the family or eligibility can be retained and payments suspended so the child may return to the same provider when the situation resolves. DEL should determine the appropriate course of action based on the factual circumstances with the goal of maintaining continuity of care for the child.
 - **Extend job search eligibility for a minimum of 90 days per year:**
Currently, DSHS may authorize WCCC payments to ensure child care continuity for up to two periods of twenty-eight consecutive days when a parent experiences a gap in employment or other approved activity. The two 28 day gap periods may be used back-to-back. The parent must be looking for another job or provide assurances that employment or other activity will resume within the 28-day period. The eligibility period should be extended to 90 days.
 - **Pay providers a monthly rate for all WCCC children enrolled in their program and require that providers have and utilize an absence and de-enrollment policy:**
According to the Task Force members, paying providers by half or full day unintentionally impacts program stability for providers. A monthly payment system may lessen the administrative work load for providers and simplify attendance tracking. However, Task Force members felt that providers should be required to monitor absences and unroll children not utilizing child care services. For example, if a child is absent for more than three days without notice, the child care provider must contact the parent to check on the status of the child, the need for continued child care services, and support the family to achieve more regular attendance. If the child does not attend the program for more than ten days without notice, the provider must notify the parent (by phone, email, and US mail) that parent must complete an attendance plan with the provider to help identify and address barriers to regular attendance. Finally, if the child is absent for more than 20 consecutive days without notice, or ten unexcused days in two successive months, the state will terminate WCCC payments for the child.

IV. Improving Financial Stability for Providers and Parents

A. Graduation of the Co-pay Scale

Required co-payments can cause instability for both the child care provider and the parent. A parent may receive an increase in income that bumps his or her income to the next co-pay level. Sometimes this increase does not cover the increased co-pay. Members also discussed the detrimental effect of the payment cliff at cutoff. When a parent's income exceeds 200% of the FPL, the parent loses eligibility for child care assistance. Oftentimes the parent will not be able to afford continued care.

A number of providers also stated that they do not collect co-pays at the lower levels. The administrative burden of collection can exceed any monetary benefit. Many providers also felt that the parent's financial circumstances are so tight that even the \$15 co-pay is overly burdensome. The co-pay amount is subtracted from the benefit subsidy received by the provider. Other members acknowledged the nominal impact of a \$15 co-pay, but felt there was some importance to parents having a financial stake in their child's care.

Co-payment amounts for subsidized child care have been set in accordance with legislative budgets and based on the income and size of the family. Current co-pay amounts are as follows:

Current co-pay structure	
If a parent's income is:	Then the parent's co-pay is:
At or below 82% of the FPL	\$15
Above 82% up to 137.5%	\$65
Above 137.5% through 200%	The dollar amount equal to subtracting 137.5% of FPL from countable income, multiplying by 50%, then adding \$65
Above 200% of the FPL	Parent is not eligible for WCCC

The Task Force recommends the following policy options:

- **Do not increase the co-pay amount for changes in income during the 12-month enrollment period:**
Pursuant to WAC 170-290-0085, DEL will not increase a parent's co-pay amount during the eligibility period despite increases in family income. There was some disagreement among Task Force members as to whether this is current practice across the board. The Task Force recommends codifying WAC 170-290-0085(3) to provide consistency in practice across the state.
- **Eliminate the co-pay requirement at the lower income levels:**
Under the current structure, members suggested eliminating co-pays at 110% FPL or less. This would bring WCCC into alignment with ECEAP eligibility requirements that has no copay requirement for children admitted into the program. DEL indicates implementation of this recommendation would require a federal waiver. Task Force members

also discussed the importance of parents having access to information on the costs of child care programs for their future budget planning and have opportunities to financially contribute to child care costs as appropriate.

- **Incentivize parents to put children in higher quality care by offering reduced co-pays:**
The Task Force felt this would be an effective means of incentivizing parents to seek out quality care.
- **Align tiered reimbursement with the cost of providing high levels of quality of care at Early Achievers' levels 3, 4, and 5.**
Because there are costs associated with achieving and maintaining higher level programming within the framework of Early Achievers, the Task Force recommends that tiered reimbursement should align with the actuality of costs associated with quality improvement.
The following are policy options that the Task Force considered, but consensus was not necessarily achieved:
 - Approve the collectively bargained base rate increase in the 2014 supplemental budget and extend the rate increase to centers. In the next biennium, raise base rates to the 50th percentile;
 - ECEAP reimbursement rates should be increased proportionally for a 12-month program if ECEAP is integrated into child care; and
 - Align the schedule of co-payments with net income increases so a family does not lose access to care as a result of a slight salary increase.

B. Market Reimbursement Rates

On September 1, 2013, the state child care subsidy full-day and half-day maximum rates for licensed provider and the hourly rate for license exempt providers increased by 2 percent per the 2013-15 operating budget. The previous rate increase was in 2008.

Also effective September 1, 2013, licensed providers enrolled in Early Achievers became eligible to receive an additional 2 percent quality bonus. In order to maintain the quality bonus, providers must complete level 2 and advance to level 3 within 30 months.

In order to determine the actual cost of providing different levels of quality care, DEL commissioned a national expert to examine the costs associated with running a licensed child care facility. The expert, Anne Mitchell, completed the study for Washington using a nationally recognized cost model and presented the results to the Task Force (Mitchell, 2013).

Although the focus of the Mitchell report was on the cost of providing care at increasing levels of quality along the Early Achievers continuum, her report also sought to address the concern that base subsidy rates are insufficient.

In order to analyze the sufficiency of the base subsidy rates, Mitchell used a cost model of 100% subsidy revenue.¹ Using this assumption, the report finds the following projected annual net revenue amounts for child care centers at varying Early Achievers levels:

Center Total Annual Revenue (100% subsidy)		
Early Achievers Level	Total Annual Net Revenue	Percent Net Revenue
Level 1	\$23,658	4.0%
Level 2	\$31,435	5.2%
Level 3	(\$32)	0.0%
Level 4	(\$60,362)	-9.9%
Level 5	(\$121,755)	-19.9%

The Mitchell report goes on to conclude:

“Centers at Levels 1 and 2 are in reasonable financial condition meaning the base WCCC rates are sufficient to support their operational costs. The Level 3 center is not breaking even and the highest quality centers Levels 4-5 are clearly financially unsustainable. This illustrates that the problem is not the base WCCC rates because the Level 1 and 2 centers are financially sustainable. What is needed is a set of financial supports, especially for the Level 4 and 5 centers.”

Similarly, Mitchell analyzed the cost of providing care for home child providers using a model of 100% subsidy revenue for homes enrolling either 8 or 12 children (with assistant) with average efficiency. Assuming a work week of 70 hours per week, at all levels a home provider is making more than minimum wage except a home provider without an assistant at Level 5. Again, Mitchell concludes these results show the subsidy rate does not need to be increased.

This analysis met with substantial disagreement from members of the Task Force who are providers themselves or work directly with child care providers.

Members reasoned that even though unrated, many providers are not simply maintaining a level 1 or level 2, but incorporate many of the aspects of quality care that are indicative of higher levels. Providers in Washington have reported working on average 70 hours per week. Some members argued it would be difficult for providers to dedicate the additional time required to achieve the higher levels of care. Others noted the recent increase in minimum wage will also impact providers.

Many members agreed that higher pay rates are needed to meet and maintain higher quality levels of care, but felt that concerns over the adequacy of the base rate could not be dismissed in order to focus on funding greater quality. They feel that the base rate problem is not yet fixed and providers need to be making a living wage before moving on to a discussion about quality.

The Task Force did not come to a group consensus regarding market reimbursement rates.

¹ Mitchell constructed two cost models to analyze the cost of quality; one for the Seattle-Tacoma-Bellevue region and one for Yakima County.

V. Incentivizing Quality

The joint legislative Task Force was required to examine a tiered reimbursement model that provides incentives for quality child care across communities. This directive emerges from an existing and accepted dialogue that quality matters in early learning and child care programs.

While it is well documented that child care and preschool programs have the potential to produce an array of positive outcomes for children, parents, and our communities (Lipsey, M. et al , 2013; Camilli et al, 2010; Zaslow, M., et al 2010), contemporary researchers are beginning to examine the specific components of programming in an effort to determine what factors most contribute to successful early learning and child care models. There is a growing acceptance within the literature that an emphasis on ‘quality’ should be an acknowledged underpinning of early learning and care implementation and should provide a foundation for all child care and early learning programs (Burchinal, M.R., et al 2011; Zaslow, M., et al 2010; Burchinal, M.R. & Cryer, D., 2003). Indeed, empirical evidence indicates that higher quality programs are consistently more likely to yield the most desired outcomes for children (Vandell, D. & Wolfe, B. 2000). Additionally, the association between quality of program and improved outcomes appears to be stronger for the most vulnerable children.

The DEL completed a state-wide roll-out of the Early Achievers in July 2013, which provides a uniform framework for measuring quality in early learning programs. A total of 1,774 providers throughout the state are enrolled in Early Achievers; 705 child care centers, 888 family homes, and 181 Head Start/ECEAP programs. Additionally, the DEL established Early Achievers participation targets for years 2012-2015. By year 2015, the DEL’s targets include the following:

- 3,982 programs enrolled in Early Achievers
- 72,725 children served in programs participating in Early Achievers
- 54% of Early Achievers participants will be at level 2 or higher
- 20% of Early Achievers participants will be at levels 3 through 5
- 60% of children will be in levels 2 through 5

The Early Achievers framework has several incentives built into the model. In addition to trainings, technical assistance, consultation, coaching, and professional development scholarships, Early Achievers also utilizes a tiered reimbursement model where providers are rewarded for quality improvement efforts. See below for annual quality improvement rewards.

	Centers	Family Homes
Level 3	\$5,000	\$2,000
Level 4	\$7,500	\$2,250
Level 5	\$9,000	\$2,750

In addition, in the 2013-15 operating budget, the legislature authorized a 2% subsidy bonus for programs in Early Achievers levels 2-5.

A. Financial Incentives

Utilizing this framework, DEL commissioned Anne Mitchell to analyze the cost of providing quality care in Washington, recognizing that along the Early Achievers continuum, a provider's costs will increase as the level of care increases. As detailed in the section of this report discussing market rate reimbursement, the Mitchell report concludes that the base subsidy rates are clearly financially unsustainable at Levels 4 and 5. (Mitchell, A., 2013).

In discussing strategies to incentivize quality care, Mitchell differentiates between two types of financial incentives: (1) monetary awards intended to help support the costs of improving program quality; and (2) financial supports needed in order to maintain program quality. Mitchell identified Washington's current strategies of providing technical assistance and consultation, professional development scholarships, and coaching as supporting improvements to quality while the annual quality improvement awards support quality maintenance.

The Mitchell report goes on to identify a host of incentive recommendations that could be used to create a viable incentive package for the state. Drawing from policies employed by other states, Mitchell (2013) provided the following options for consideration:

- Subsidy only to programs enrolled in Early Achievers
- Subsidy only to programs enrolled in Early Achievers and rated at a certain level
- Reduce family co-payment for higher quality programs
- Payment to providers for select materials
- Practitioner wage initiatives
- Loans linked to Early Achievers participation
- Tax credits for families linked to quality rating

The Task Force recommends the following policy options:

Provide quality improvement grants to assist centers and homes in attaining quality care and prioritize grant allocation to child care centers and family homes serving the most vulnerable children:

Quality improvement grants in this context are differentiated from those awards provided currently that assist providers in maintaining quality care. The Task Force was particularly concerned with the time commitment required for providers to move from Level 2 to Level 3. Providers informed Anne Mitchell that they often put in 70 plus hours a week in child care alone and do not have sufficient resources to hire additional staff. This does not leave sufficient time to address the substantial requirements to attain Level 3.

Provided tiered reimbursement

Because there are costs associated with achieving and maintaining higher level programming within the framework of Early Achievers, the Task Force recommends that tiered reimbursement should be utilized to incentivize participation in quality improvement.

Offer licensed child care providers' access to a substitute pool:

The Task Force felt that child care providers would benefit from having a substitute pool to encourage access to professional development opportunities.

Provide access to the Department of Early Learning on-line trainings to Family, Friend, and Neighbor child care providers:

The Task Force suggested that easily accessible trainings should be made available to all providers because the trainings can help them improve the quality of care.

The Task Force considered the following option, but consensus was not necessarily reached:

- Use Early Achievers as a mechanism to identify programs that can receive ECEAP slots.

B. Contracting for Quality

The Task Force recommends the following policy option:

Contracting a certain number of WCCC slots for licensed child care programs that demonstrate high-quality programming by achieving an Early Achievers' level rating of 3, 4 or 5:

Under the current WCCC program, eligible parents receive a child care voucher that may be used at any licensed or licensed-exempt program able and willing to accept the voucher. Respecting the belief that parents should have the opportunity to make decisions regarding their children's care, federal guidance embedded in the Child Care Development Fund, requires that states ensure that children and parents receiving supportive child care services have access to high-quality child care options in an array of child care settings. States uphold this federal obligation by offering vouchers to parents.

While vouchers are a critical component of preserving the concept of parents' choice and a necessary component of a subsidized child care program, there are some limitations to a subsidized child care program that utilizes only a voucher system. In October 2012, the DEL worked with the Puget Sound Educational Service District to convene a Task Force called the Contracting for Quality Task Force. The members of the Task Force identified the following reasons why a voucher only system may not always be advantageous:

- A lack of providers accepting vouchers in a given geographical region;
- A lack of high-quality providers accepting vouchers;
- Child care providers may not be willing to provide higher-quality, higher-cost child care, or locate in low-income or rural areas, without some securities in place that they will be compensated regularly and adequately (Contracting for Quality, 2012, pg. 3).

Because federal rules allow states to use both vouchers and contracted slots for subsidized child care, some states have opted to employ a mixed approach where both vouchers and a contracting structure are utilized. For example, Oregon launched the Oregon Program of Quality Contracted Child Care in 2012, with the following stated goals:

- For children to have access to continuous quality care;
- For families to have continuity of quality child care to support their employment; and
- For providers to have stable funding in serving low income children in quality programs (DHS, 2012, pg. 1).

Under the Oregon Program of Quality, 22 early learning and child development programs that achieved the Oregon Program of Quality designation are able to contract for 12-month child care slots. Children have access to high-quality, continuous child care for 12 months and are prioritized for a contracted slot for the following year (DHS, 2012, pg. 1). Parents are expected to meet a \$27.00 co-payment and providers are required to maintain their Oregon Program of Quality designation.

The aforementioned Contracting for Quality Task Force further provided a series of possible benefits of implementing a similar “contract for quality” program in Washington.

<p>Benefits to Young Learners</p> <ul style="list-style-type: none"> • Continuity of Care • Access to high-quality care that exceeds minimum licensing requirements • School Readiness 	<p>Benefits to Parents</p> <ul style="list-style-type: none"> • Expedited access to care • Stability of care • Availability of high quality care
<p>Benefits to Child Care Providers</p> <ul style="list-style-type: none"> • Predictable WCCC income supports their business • Improved and stable relationship with the child and family • Opportunity to increase capacity • Stronger partnership with the DEL • Tangible acknowledgement of commitment to delivery of quality • Simplified rules • Increase the stability of family child care providers health care 	<p>Benefits to the DEL and DSHS</p> <ul style="list-style-type: none"> • Simplified rules • Reduce errors • Increase efficiencies • Investing public dollar in quality • Better predication of draw down funds • Increased access quality • Leverage braided funding

(Contracting for Quality, 2012, pg. 7-10)

The benefits listed by the Contracting for Quality Task Force assume a twelve month eligibility certification.

In addition, contracting for child care slots with existing ECEAP and Head Start programs meeting the quality threshold will result in more stable, full day, high quality care available to low income children.

In November and December 2013, the DEL began on the Contracting for Quality Pilot. Although still in development, the pilot program may provide WA’s child care program

an opportunity to understand if contracted slots impact children’s access to high-quality programming and increase stability of care for both providers and families. The current suggested timeline for the pilot is as follows:

<p>November-December 2013</p> <ul style="list-style-type: none"> • Determine Number of Slots and Contracts Available 	<p>January-February 2014</p> <ul style="list-style-type: none"> • Select Providers via request for qualifications 	<p>March-April 2014</p> <ul style="list-style-type: none"> • Negotiate with SEIU 925 • Develop Rules • Systems integration with DSHS
<p>April 2014</p> <ul style="list-style-type: none"> • Develop provider handbook 	<p>May 2014</p> <ul style="list-style-type: none"> • Finalize and release request for qualifications 	<p>July 2014</p> <ul style="list-style-type: none"> • Contract Negotiations

(DEL, Child Care Subsidy Contracting PowerPoint, October 23, 2013).

The Contracting for Quality Pilot has the following objects:

- **Quality/Capacity:** Increasing the supply of quality child care for children receiving subsidy
- **Stability:** Increasing stability for children receiving subsidized child care
- **Alignment:** Aligning large scale contracting within the ‘one system’ approach to early learning (eligibility and payment)
- **Legal:** Determining rule and plan changes needed for ongoing implementation
- **Cost:** Determining ongoing costs for contracted delivery

The Task Force recommended the following policy options in regards to contracting slots:

Ask the DEL to update the Legislature on the strengths, gaps, and lessons learned from the Contracting for Quality Pilot:

Because the DEL is embarking on a Contracting for Quality Pilot Program, the Task Force felt that it may be helpful to the DEL to evaluate the pilot in order to best determine how to take contracting for quality to scale.

Provide guidance to the DEL prior to the development and implementation of the Contracting for Quality Pilot program:

Although the DEL is implementing the Contracting for Quality Pilot Program, the Task Force reached consensus that additional guidance and suggestions may be helpful during the early stages of development.

- **Child care programs with some or all of the following characteristics should be prioritized for contracted slots:**
 - Programs offering services for children diagnosed with a special need, children experiencing trauma, and/or children involved with the child welfare system;
 - Programs providing non-standardized hours of care;

- Programs located in a high-need geographic area; or
- Programs offering full-day early learning and care opportunities.
- The DEL should take necessary actions to contract at least 20% of its WCCC slots by January 1, 2016. After that date, the DEL should periodically evaluate the benefits, costs and savings of contracting a larger percentage of its WCCC slots.
- Providers with WCCC contracts would be paid for the number of slots for which they have contracted, provided that these slots have not been unfilled for more than 30 days. The DEL will annually determine whether to increase or decrease the number of slots contracted to a program based on its previous year's enrollment.
- Payments would not be decreased due to absences, provided that the program contacted families promptly when a child was absent without notice for more than three consecutive days to provide any assistance needed to regularize attendance.
- Contracting for Quality Pilot should include a pathway for providers to join together to attain economy of scale through sharing certain costs associated with doing business.

Following is a policy option that the Task Force considered, but an option where consensus was not necessarily reached:

- Pilot a program that contracts integrated child care and ECEAP slots at the state level to providers, including licensed child care centers and family child care homes.

VI. Early Learning and Child Care Integration

The joint legislative Task Force was further directed to examine opportunities for integration and alignment of the state's child care and preschool programs.

There are several early learning, child care, and parent support programs that comprise the early learning and child care system in Washington. Each program has unique objectives, eligibility requirements, processes for enrollment, hours of operation, licensing or performance standards, and funding streams. While the DEL administers the state preschool program or the ECEAP, Head Start and Early Head Start are federally administered, and the DSHS and the DEL jointly administer the state's subsidized child care program.

The multiple disparate components of each program may create barriers for early learning and child care practitioners wishing to offer high-quality, full day learning and care opportunities that both meet the needs of working parents and provide the necessary dosage level to promote meaningful outcomes for children. Although there remains some "tensions of purpose between child care as a workforce support for parents and early learning that fosters children's healthy cognitive and social emotional development" (Wallen and Hubbard, 2013, pg. 14), the Task Force discussion on integration underscored the importance of having a range of early learning and care options that remain cognizant of the diverse needs of children and parents throughout the state.

Strategic Models and State Examples

In an effort to mitigate some of the barriers to early learning and care integration some states effectively coordinate across public early childhood funding streams via a blended or braided approach. Wallen and Hubbard (2013) operationalize blended and braided funding accordingly:

Blended Funds: Funds from two or more separate funding sources are wrapped together within one full workday, full year program budget to pay for a unified set of program services to a group of children. Costs are not necessarily allocated and tracked by individual funding sources.

Braiding Funds: Two or more funding sources are coordinated to support the total cost of services to individual children, but revenues are allocated and expenditures tracked by categorical funding source. Cost allocation methods are required to assure that there is no duplicate funding of service costs and that each funding source is charged its fair share of program and administrative costs (pg. 5).

The Illinois Department of Human Services launched the Child Care Collaboration Program to encourage and facilitate collaborations between child care and other early learning programs to increase quality and continuity of care and increase the overall number of high quality early learning and care programs in the state. Employing the strategy of braiding funds, the Child Care Collaboration Program aims to support the integration of early learning and care programs into a single setting. Wallen and Hubbard (2013), outline key policy options adopted by the DHS:

- Annual or 12 month eligibility;
- Extension of job search to 90 days; and
- Authorize full day payment rate to a provider if a child is approved for full day care, regardless of hours attended (pg. 23).

Findings from a program evaluation completed in 2007 on the Child Care Collaboration Program demonstrate the following:

- 90% of participating programs were able to integrate early care and education in one setting;
- Half of the programs reported higher rates of staff retention and improved staff morale;
- Programs saw an increase in parent engagement;
- Children tended to stay in programs for a longer duration;
- Community partnerships and collaborations increased (Wallen and Hubbard, 2013, pg. 23).

In regards to the integration of child care and preschool programming, the Task Force recommended the following policy options:

- **Align child care eligibility to match those of Head Start, Early Head Start, and ECEAP programs to facilitate the seamless delivery of services:**
The WCCC provides subsidies to child care providers serving families at or below 200

percent of the federal poverty level. The WCCC is often associated with Washington's WorkFirst program and is intended to support parents who are working, attending training, or enrolling in educational programs outside the home. Not all families receiving the WCCC benefits, however, participate in approved WorkFirst activities. For example, a parent under 22 years of age may be eligible for the WCCC benefits for high school development activities. Children of families receiving the WCCC benefits are required to be less than 13 years of age or less than 19 years of age and have a verified special need or be under court supervision.

The ECEAP is an early learning program for children ages 3-5 years and who have not entered kindergarten. The ECEAP provides preschool education, family support, and health and nutritional services to families at or below 110 percent of the federal poverty level.

Head Start and Early Head Start serves families up to 130% federal poverty level, prioritizing families below 100% of the federal poverty level. Head Start serves children ages 3-5 years of age and Early Head Start serve children birth-3 years of age.

In an effort to create a more seamless delivery services, the Task Force discussed options for aligning eligibility for all child care and early learning programs.

- **Consolidate the subsidy system and all early learning and care programming under the Department of Early Learning:**
The DEL has the authority to establish and implement policies for the WCCC Program. The DSHS has the responsibility for verifying a family's eligibility to receive WCCC. Consolidating the administration of all child care and early learning programs under a single state agency may improve program efficiency, reduce possible stigma currently associated with WCCC program, and encourage quality child care to be viewed as a service for children. The Task Force recognizes that the consolidation of the subsidy system and all early learning and care programming under the Department of Early Learning may be costly. As such, the Task Force encourages state partners to examine this policy option to determine if total costs of consolidating warrant a change.
- **Cross-reference Health Care exchange eligibility website with child care eligibility:**
The Task Force felt that aligning eligibility processes may help facilitate cross-system capacity building and streamline eligibility for families. Additionally, providing parents with multiple ways to submit eligibility information may increase access to supportive child care services for families.
- **Set one year eligibility determination period for child care assistance: (Redetermination Periods)**
States have the flexibility to determine redetermination periods for child care assistance. The Task Force recommends annual redetermination periods to help maintain stability and continuity of care for children.

- **Reduce the number of reported changes required to maintain eligibility: (Redetermination Processes)**
Although a state may have a policy reflecting 12 month eligibility for child care services, a parent may still have to report small changes to their circumstance that may lead to loss of eligibility of child care services. In an effort to enhance stability and continuity of care for children, the Task Force recommends reducing the number of reported changes required to maintain eligibility.
- **Create multiple incentives for providers to combine subsidized preschool and child care services:**
The Task Force offered that working parents in WA need to have access to high quality, full day learning and care opportunities for their children. Additionally, children benefit from having the stability of a single early learning program.
- **The administrative responsibility of Child Protective Services Child Care (including Family Assessment Response) and Child Welfare Child Care should be removed from Children’s Administration and integrated at the DEL into one Early Learning system:**
Currently, the Children’s Administration provides child care for children involved in the child welfare system. A child remains eligible for child care as long as the family is receiving supportive services from Children’s Administration. Task Force members offered that because children involved in the child welfare system are at risk for an array of poor outcomes, these children should have ongoing access to high quality programming. Including child welfare child care under the DEL umbrella, may encourage stability and continuity of care for this vulnerable population.
- **Children from families receiving WCCC should be categorically eligible for ECEAP slots that exist in licensed child care centers and family homes.**
Allowing guaranteed eligibility for an ECEAP slot under these circumstances may better-enable providers to offer a full-day, high-quality learning model.
- **Award ECEAP expansion to entities that have the economies of scale, experience and ability to either directly operate the new slots with comprehensive services and/or can support subcontractors with an umbrella of comprehensive program services that meet ECEAP Performance standards.**
In Senate Bill 5904 (SB 5904) an ECEAP expansion is outlined. The Task Force recommends encouraging expansion that builds on the existing strengths of robust programs.

Following are policy options that the Task Force considered, but options where consensus was not necessarily achieved:

- Establish family child care as a program option in ECEAP.
- Pilot various mixed delivery models in different settings across the state so we know what works best in an array of settings.
- Incentivize ECEAP grantees to subcontract with licensed child care providers.

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