



STATE OF WASHINGTON  
DEPARTMENT OF COMMERCE

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November 22, 2019

Mr. Brad Hendrickson, Secretary of the Senate  
Legislative Building 312  
PO Box 40600  
Olympia, WA 98504-0600

Mr. Bernard Dean, Chief Clerk of the House of Representatives  
Legislative Building 338B  
PO Box 40600  
Olympia, WA 98504-0600

Re: Child Care Collaborative Task Force Report

Dear Mr. Hendrickson and Mr. Dean:

The Child Care Collaborative Task Force report is submitted to satisfy the language in Section 1(12) of Substitute House Bill 2367 (Chapter 91, Laws of 2018):

“In accordance with RCW 43.01.036 the task force shall report its findings and recommendations to the governor and the appropriate committees of the legislature by November 1, 2019. The report must include findings related to:

- (a) Options for the state to incentivize the provision of:
  - i. Employer-supported child care by public and private employers; and
  - ii. Back-up child care by public and private employers;
- (b) Opportunities for streamlining permitting and licensing requirements to facilitate the development and construction of child care facilities;
- (c) Potential tax incentives for private businesses providing employer-supported child care;
- (d) A model policy for the establishment of a ‘bring your infant to work’ program for public and private sector employees; and
- (e) Policy recommendations that address racial, ethnic, and geographic disparity and disproportionality in service delivery and accessibility to services for families.”

Mr. Brad Hendrickson and Mr. Bernard Dean

November 22, 2019

Page 2

Please contact Jill Bushnell by phone at (360) 725-2818 or email at [jill.bushnell@commerce.wa.gov](mailto:jill.bushnell@commerce.wa.gov) or myself by phone at (360) 725-2808 or email at [cheryl.smith@commerce.wa.gov](mailto:cheryl.smith@commerce.wa.gov) if you have any questions regarding this report.

Sincerely,

A handwritten signature in black ink that reads "Cheryl R. Smith". The signature is written in a cursive style with a long horizontal flourish at the end.

Cheryl Smith

Director of Community Engagement and Outreach

# Child Care Collaborative Task Force



Department of Commerce

Recommendations report to the Legislature under SHB 2367,  
Laws of 2018

November 1, 2019

REPORT TO THE LEGISLATURE

**Lisa Brown, Director**

# Acknowledgements

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2. <a href="#"><i>Washington State Childcare Study: Analyzing the Costs Facing Businesses Due to Workforce Turnover and Missed Time Associated with Inadequate Childcare Options</i></a> (19 pages)	
3. <a href="#"><i>Parenting in the Workplace Institute Babies-at-Work Policy Template</i></a> (11 pages)	

# Letter from the Tri-Chairs

Nov. 1, 2019

As the tri-chairs of the Child Care Collaborative Task Force, we are pleased to present this initial report to the Legislature and governor. The Legislature created the task force in 2018 (SHB 2367) to recommend policies for the state of Washington to incentivize employer-supported child care and improve child care access and affordability. The task force's mission and responsibilities greatly expanded with passage of 2SHB 1344 (2019), which will culminate in a strategic implementation plan (due in 2021) for access to affordable, high-quality child care for all Washington families by 2025.

This report reflects our growing knowledge of national best practices and understanding about the effects of insufficient access to child care in Washington. To answer the question, "Why does child care matter to employers?" task force partners jointly commissioned a survey and economic analysis. Half of Washington parents who responded to the survey said child care is difficult to find and keep. A quarter of respondents said the cost alone kept them from using child care.

We believe our initial recommendations provide a strong start to designing a child care system that works better for families, providers and employers in every industry. We have included both actionable recommendations and long-term strategies that require further analysis and planning that will be addressed in future task force reports. In addition to actions state government can take, we have recommended policies that will incentivize and facilitate efforts and investments by nonstate partners to address our common child care goals. We look forward to our continued work together to improve access to high-quality, affordable child care in every Washington community.

Sincerely,

Amy Anderson  
Association of Washington  
Business

Luc Jasmin  
Washington Childcare Centers  
Association & Parkview Early  
Learning Center

Ryan Pricco  
Child Care Aware of  
Washington



# Letter from the Director



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November 1, 2019



Too many working parents in Washington are either paying more than they can afford for quality childcare or struggling to find an affordable, safe place for their children to be cared for.

Lack of child care access in our largest cities, and in our smaller communities and rural areas, significantly affects not just the emotional and economic well-being of families, but also harms employers in attracting and retaining the workforce they need.

This isn't a new problem for families or the economy. It was over 25 years ago when my infant son's presence on the floor of the House of Representatives in the evening, caused a stir. The pressures on working parents and the costs of child care have only risen since then.

However, two things are happening now that can bend this trajectory. First, we now have mounting evidence of the enormous opportunity costs of not addressing the issue. Costs of lost human potential and economic productivity foregone are now in economic journals as well as in the headlines.

Second, many partners have come together in the Child Care Collaborative Task Force: representatives from government, the business community, the child care sector, and philanthropy charged by the legislature with creating solutions.

This report reflects the first phase of the work.

I want to extend my sincere appreciation to the dedicated members of the task force and to our many partners in this effort, who spent 15 months learning from and listening to each other to identify actions and the highest priorities for additional study. Thank you also to the hard-working talented team here at Commerce who supported the task force in producing this report.

I look forward to continuing to work with the task force on this important public policy conversation to develop a plan for available, affordable high quality child care for all families in Washington.

Sincerely,

A handwritten signature in blue ink that reads "Lisa J. Brown".

Lisa Brown  
Director

# Introduction

The Child Care Collaborative Task Force was created by 2018 legislation (SHB 2367) to examine the effects of child care affordability and accessibility on Washington's workforce and businesses and to develop policy recommendations that improve child care access and affordability for employees. The 2019 Legislature enacted additional legislation (2SHB 1344) that extends the task force's work through June 2021, culminating in a strategy, timeline and implementation plan to achieve the goal of access to affordable, high-quality child care for all Washington families by 2025. This initial report includes both recommendations for action and principles that will guide the work of the task force in developing three additional reports.

## **Washington lacks sufficient affordable, high-quality child care.**

Washington seriously lacks child care capacity. The state is home to an estimated 1.08 million children ages birth through 12 years.<sup>1</sup> In 2018, Washington had licensed child care capacity for about 178,700 children – capacity to serve 17% of children younger than 13.<sup>2</sup> The Department of Commerce and task force partner organizations commissioned a parent survey and economic impact analysis in 2019 to shed light on how child care access affects workers, employers and the economy (“Mounting Costs,” Attachment 1).<sup>3</sup> Half of respondents who sought care found it difficult to find and keep. The most cited reason: no available care near the person's home or work. Parents also cited additional reasons such as available care not fitting within a work schedule, not being of good quality and not accepting child care subsidies.

## **Child care access affects Washington's workforce, employers and economy.**

Insufficient access to affordable, high-quality child care means fewer parents in the workforce, more missed work, less productivity and lower economic gains. It also means fewer children will be able to take advantage of developmental supports, social-emotional skill-building opportunities and learning environments for school readiness and success offered by high-quality child care programs. The 2019 “Mounting Costs” analysis estimated that 27% of Washington parents with young children reduced to part-time work hours and 18% quit due to child care issues. Each year, employee turnover and missed work due to issues accessing child care costs Washington employers an estimated \$2.08 billion. Including missed opportunities for businesses and consumer spending, Washington's economy loses an estimated \$6.5 billion annually.<sup>4</sup>

## **Comprehensive strategy needed.**

According to the task force, we must take a holistic, integrated approach to seek solutions to and address the far-reaching challenges of child care access and affordability. Future task force reports will address these issues comprehensively. In addition to calling out the need to support the child care industry sector, this report recommends options to incentivize employer-supported child care and streamline facility development and policies to address racial, ethnic and geographical disparities and disproportionalities in child care service delivery and access.



## Task Force Vision

The task force envisions Washington state as the nation's most equitable, affordable, and accessible child care system that benefits all our parents, child care staff and providers, employers, and communities:

- **Quality, affordable, accessible licensed child care** that gives parents diverse choices to meet their family and employment needs, regardless of their income, race, or where they live.
- **An economically healthy and diverse child care industry** with a supported, well-compensated workforce that meets the supply and choice requirements of families and employers.
- **Increased workforce productivity** when employers support the child care needs of their employees through the availability of a scalable set of tools and incentives that increase access and affordability of high-quality child care.
- **New strategies and investments** from the public and private sectors that engage employers in supporting all working families' access to high-quality, affordable child care.

Task force recommendations align to these goals, which address SHB 2367's requirements:

- A. Stabilize, support and sustain the child care workforce, providers and industry.  
(10 recommendations)
- B. Increase employer supports for child care.  
(6 recommendations)
- C. Streamline permitting and licensing to better support the construction, renovation and acquisition of child care facilities.  
(5 recommendations)
- D. Reduce disparities and disproportionalities in child care service delivery and access.  
(10 recommendations)

See a full list of recommendations in [Appendix D](#).

"When AWB first began working on the issue, there was a question about why the business community would be part of the discussion around child care. Employers didn't always realize how big of an issue it is for their businesses and for their employees.

The fact is, people are leaving jobs, not accepting jobs and foregoing education opportunities because they can't find or afford child care.

It's a workforce issue. It's an education issue. It's a rural issue. Most important, it's a Washington issue. We need to educate people and make them aware."

Amy Anderson, Association of Washington Business (AWB), AWB Policy Summit, Sept. 18, 2019

## What the Legislation Says

SHB 2367 Section 1(12) “In accordance with RCW 43.01.036 the task force shall report its findings and recommendations to the governor and the appropriate committees of the legislature by November 1, 2019. The report must include findings related to:

- (a) “Options for the state to incentivize the provision of:
  - i. “Employer-supported child care by public and private employers; and
  - ii. “Back-up child care by public and private employers;
- (b) “Opportunities for streamlining permitting and licensing requirements to facilitate the development and construction of child care facilities;
- (c) “Potential tax incentives for private businesses providing employer-supported child care;
- (d) “A model policy for the establishment of a ‘bring your infant to work’ program for public and private sector employees; and
- (e) “Policy recommendations that address racial, ethnic, and geographic disparity and disproportionality in service delivery and accessibility to services for families.”

## Key Terms Defined

The legislation directs the task force to address child care for children ages birth through 12 years old. In this report, the terms “[child care](#)” and “[early learning program](#)” mean regularly scheduled care for a group of children ages birth through 12 years for periods of less than 24 hours. This is consistent with the way the Department of Children, Youth and Families has defined “early learning program” in Washington Administrative Code (WAC) 110-300-0005.

The term “[parent](#)” refers to a child’s primary caregiver, including but not limited to a biological parent, adoptive parent, foster parent, kinship caregiver (such as grandparent), guardian or other person authorized to act in a parental capacity.

“Parents of school-age children need child care after school and in the summer while at work. Elementary students, particularly those struggling in school, need more time to engage with academic and social-emotional content. This report provides a holistic set of recommendations to increase resources and supports to providers, families and employers that will positively impact children from birth through age 12.”

David Beard, School’s Out Washington

# Findings and Recommendations

The table below shows where to locate findings and recommendations for each SHB 2367 requirement in this report. A full list of recommendations is available in [Appendix D](#), and a one-page summary of goals and recommendations is in [Appendix C](#). For each goal (A through D) and its recommendations, the report describes why the topic is important to address, the status of the topic in Washington, and the task force’s approach to developing recommendations. Quotes from task force members and child care providers highlight stories and key information.

SHB 2367 directed the task force to sunset its work in December 2019. While the task force was developing recommendations for this report, the Legislature extended and expanded the task force’s work with new legislation, 2SHB 1344. This new legislation directs the task force to complete research and assessments to inform additional policy recommendations and implementation plans for the Legislature’s consideration in 2020 and 2021.

This report, as indicated by 2SHB 1344, provides the task force’s *initial* recommendations. The task force made recommendations anticipating additional legislatively mandated research and analysis. The sentence “This is a principle to guide the task force’s continued work” identifies topics the task force will study and further address in future legislative reports.

**Table 1: Crosswalk of Recommendations to Legislative Report Requirements**

SHB 2367 Requirement	Report Section	Page #
SHB 2367(1)(12)(a) Options for the state to incentivize the provisioning of employer-supported child care and back-up child care by public and private employers	<a href="#">Goal B</a>	19-24
SHB 2367(1)(12)(b) Opportunities for streamlining permitting and licensing requirements to facilitate the development and construction of child care facilities	<a href="#">Goal C</a>	25-27
SHB 2367(1)(12)(c) Potential tax incentives for private businesses providing employer-supported child care	<a href="#">Goal B</a>	19-24
SHB 2367(1)(12)(d) A model policy for the establishment of a “bring your infant to work” program for public and private sector employees	<a href="#">Goal B</a> <a href="#">Attachment 3</a>	19-24
SHB 2367(1)(12)(e) Policy recommendations that address racial, ethnic and geographic disparity and disproportionality in service delivery and accessibility to services for families	<a href="#">Goal A</a> <a href="#">Goal D</a>	9-18 28-35

## Goal A. Stabilize, Support and Sustain the Child Care Workforce, Providers and Industry

*Supporting the supply of child care providers and staff is critical to expand access to child care. This report makes initial policy recommendations to stabilize, support and sustain Washington's child care industry, anticipating more detailed recommendations in future task force reports.*

### **Child care access depends on an adequate supply of child care providers and staff.**

Over the past five years, Washington state gained 3,000 child care spaces, but the population of children younger than age 6 grew by almost 30,000 during this timeframe.<sup>5</sup> Meanwhile, the number of child care providers has declined.<sup>6</sup>

Researchers have suggested that to succeed, child care operations need access to capital and business supports. This includes training and technical assistance in financial management, financial planning, human resources management, leadership development and capital investments.<sup>7</sup>

**Washington child care providers have reported difficulty staffing their programs and high staff turnover rates.** Child care occupations have low compensation, low return on advanced education and high levels of responsibility educating children during critical developmental stages. Washington's early childhood educators rank in the third percentile of occupational wages, below pet groomers.<sup>8</sup> Early childhood education majors have the lowest projected lifetime earnings of all four-year college graduates.<sup>9</sup>

**Research suggests that low wages contribute to child care staff turnover.**<sup>10</sup> Many studies have found that turnover reduces quality of care for children, demonstrating effects to children's social, emotional, and language development; children's ability to develop secure attachments with caregivers; relationships between families and child care programs; and aggression in children.<sup>11</sup> Child care staff turnover also increases the cost of professional development and staff training.<sup>12</sup>

The task force considered options to overcome barriers to child care program prosperity and assure a sustainable, qualified workforce, asking: What do child care programs need to predict and maintain consistent cash flows? What assistance and incentives would help child care businesses succeed?

**The task force will explore these issues in depth in the next phase of work.** Legislation (2SHB 1344) directs the task force to:

- Contract an assessment of Washington's child care industry by June 2020
- Evaluate and develop policy recommendations to:
  - Set an equitable child care staff salary floor
  - Index child care staff salaries against typical preschool staff salaries
  - Incentivize child care education, training, and career advancements
  - Consider credential equivalencies
  - Recognize providers' work experience

## Task Force Recommendations

### **Rec. A1. Support compensating the child care workforce competitively with educators in the state’s education continuum in order to provide living wages, reduce turnover and promote longevity of skilled providers in the child care workforce.**

*This is a principle to guide the task force’s continued work.*

The task force agreed with the principle that adequate compensation of the child care workforce is necessary for the system to work in the future. The task force recommends the Legislature consider options to support increasing child care workforce compensation. The task force will recommend specific compensation policies in the December 2020 legislative report.

Implementing this recommendation would help Washington providers attract and retain qualified early childhood educators. Low pay dissuades qualified staff from remaining in the field and deters potential staff from considering early childhood education as a career option.

In 2018, 88% of the 529 Washington child care providers surveyed indicated that low pay was a major reason it was difficult to hire qualified staff. Further, 61% indicated their staff resigned from child care positions due to low pay, and more than two-thirds said those resigning found better paying work outside of early learning. Half of Washington providers reported unfilled positions at the time of responding to the survey, and a third had limited the number of children served in the past two years due to staffing shortages.<sup>13</sup>

Low compensation of early childhood educators has been a persistent issue. Nationally, early childhood educator median wages have remained at about 44% below the median wage of all workers over the past decade.<sup>14</sup> In Washington, early childhood educators ranked in the third percentile of 2016 occupational wages.

Legislation (2SHB 1344) directs the task force to evaluate previously recommended compensation policies and consider pay scale changes to achieve pay parity with K-12 teachers by 2025. The task force will report detailed findings and compensation policy recommendations to the Legislature in December 2020.

“We are constantly improving and making changes. This puts stress on the staff because they must do more curriculum and projects, etc. However, their compensation does not change. I do my best to show appreciation, which makes my turnover rate less than other day cares. But I feel like it is a house of cards, and a staff member could quit at any moment.”

Child care provider in Washington state (EOI 2018)

**Rec. A2. Ensure child care staff can access employment benefits and other strategies to prevent workforce burnout and support the wellbeing of child care staff. This could include access to health insurance, dental insurance, paid leave and retirement benefits.**

*This is a principle to guide the task force's continued work.*

The task force agreed with the principle that employment benefits are components of adequate child care staff compensation, which is necessary for the continued viability of Washington's child care system. The task force recommends the Legislature consider options to increase access to employment benefits for child care staff and support the wellbeing of the child care workforce.

Offering child care staff health and dental insurance, retirement benefits, paid time off, and other improvements to the work environment would improve early childhood educators' economic, physical and emotional wellbeing and help keep experienced early childhood educators in the field. The task force will recommend specific child care workforce compensation policies in the December 2020 legislative report.

Work environment and benefits are important. According to the Center for the Study of Child Care Employment at University of California Berkeley, just as children's environments can support or impede their learning, early childhood educators' work environments can promote or hinder practice and ongoing skill development. The center found that a good work environment encompasses pay, benefits, supportive policies and practices, paid time off, sufficient staffing, and paid nonchild contact time.

These positive work environment factors are expected for K-12 teachers to support teachers' wellbeing. In contrast, early childhood teachers tend to have fewer teaching supports (such as paid nonchild contact time) and less adequate compensation for education, credentials and commitment (such as lower pay, fewer benefits and less paid time off). The center found that this lack of a supportive work environment increases early childhood teacher turnover and makes it difficult to recruit and retain qualified child care and preschool teachers.<sup>15</sup>

In 2018, only 47% of Washington child care providers who responded to a survey by the Economic Opportunity Institute indicated they provided health insurance to any of their employees.<sup>16</sup> This is consistent with national research findings that showed about 47% of homecare and early care and education workers had employer-provided health insurance in 2016, compared with 74% of all workers.<sup>17</sup> Thirty-nine percent (39%) of Washington's early childhood educators and their families rely on public income support programs, such as Earned Income Tax Credit, Medicaid/Children's Health Insurance Program, Food Stamps, and Temporary Assistance for Needy Families.<sup>18 19</sup> The estimated annual cost of this public assistance to early childhood educators and their families statewide is \$34.7 million.<sup>20</sup>

39% of Washington's early childhood educators rely on public assistance, costing an estimated \$34.7 million annually.

Center for the Study of Child Care Employment



**Rec. A3. Develop a network of local substitute pools across the state to allow child care staff and providers time off to attend training, take personal or vacation time, and recover from illness.**

The task force recommends the Legislature consider options to support developing a network of local substitute pools that would allow any licensed child care provider to locate qualified substitutes. Access to substitutes would allow staff to participate in professional development and take time off, which would support a good work environment and early childhood educators' wellbeing. This recommendation would contribute to attracting, retaining and developing a qualified child care workforce.

The Imagine Institute currently administers Washington state's Early Care and Education Substitute Pool. The pool supports family child care and child care center providers as they work toward personal professional development goals, and it offers those interested in a career in early learning the opportunity to gain real world experience in licensed child care settings. This substitute pool is limited to eligible providers who are working to reach a Level 3 ranking or higher in Washington's Early Achievers quality rating and improvement system. The task force recommends the state expand this concept so all child care providers have access to substitutes.

**Rec. A4. Support professional development of the current and future workforce:**

- Create a system to show competency through credential- and experience-based equivalencies.
- Develop alternative ways to receive professional development, such as online learning.
- Incentivize higher education attainment and career pathways via scholarships and loan repayments programs.
- Use multiple languages and platforms for all aspects of professional development.

*This is a principle to guide the task force's continued work.*

The task force agreed with the principle that professional development of the child care workforce provides the best learning environments and outcomes for children. The task force recommends the Legislature consider options to support professional development of the current and future child care workforce.

This would benefit child care programs that have experienced staff who lack formal early childhood education but might have equivalent competencies or credentials. This would also help providers meet ongoing staffing needs. In the December 2020 report, the task force will recommend policies to:

- Incentivize advancements in relevant higher education credentials and credential equivalencies, training, and years of experience
- Consider credential equivalencies and providers' years of experience in the field
- Preserve and increase racial, ethnic, cultural and linguistic diversity among providers

Professional development of Washington's early childhood educators is essential to achieving high quality. However, many child care staff and providers have cited education and credential requirements as why they do not plan to stay in business. Child care staff do not have strong financial incentives to pursue higher education in the field. Early childhood educators fall into the third percentile of total earnings among occupational groups.<sup>21</sup> The Hamilton Project found that of all 80 college majors considered, a Bachelor of Arts in early childhood education had the lowest projected lifetime earnings.<sup>22</sup>

This recommendation will build on current efforts and progress made to recognize equivalencies, reduce barriers, and incentivize early childhood education professional development and career pathways to ensure a pipeline of diverse, well-qualified educators into the future.

**Washington state is making progress toward recognizing credential equivalencies.**

Child care providers and professional development agencies on the task force emphasized the importance of an effective process to recognize equivalent credentials, experience, and past training and education to demonstrate child care staff competencies. As defined by WAC 110-300-0005, "[equivalency](#)" when referring to staff qualifications means an individual is allowed to meet the requirements of Chapter 110-300 WAC through a Department of Children, Youth and Families-recognized alternative credential – or demonstration of competency – that indicates similar knowledge as the named credential.

In July 2019, an external workgroup recommended to DCYF options for approaching recognition of equivalencies. DCYF issued a response indicating that to honor the work many providers have already completed, and meet the diverse needs of the early learning workforce, the agency would pursue a model that allows providers to fulfill the licensing requirements for education through the Early Childhood Education (ECE) Short Certificate. The ECE Short Certificate is the minimum qualification for family child care home owners and child care center lead teachers. The model will include a process for existing licensed providers to demonstrate competency and for new and existing providers to use equivalent alternate credentials. DCYF, Imagine Institute, Child Care Aware of Washington, and State Board of Community and Technical Colleges will collaboratively develop and offer a community-based training series.

Due to feasibility, cost and ensuring a provider base that represents the knowledge and skills necessary to reach child outcomes, DCYF did not implement workgroup recommendations to expand on state-approved training, design a peer-review process or advisory board, and develop an application process that leads to peer-review or other observation and assessment.<sup>23</sup>

**Deliver professional development in a variety of formats and languages.** Recognizing potential barriers for early childhood educators to attend classes or participate in a single type of class, the task force recommends the Legislature consider options to support development of alternative methods and formats for professional development. Travel time and costs, finding and paying substitutes, overtime expenses, availability limited to nonbusiness hours, and very long workdays (especially for family home providers) make it challenging for early childhood

educators to attend classes. Online, self-paced classes, onsite coaching and community-based training would help providers who must be onsite with children during business hours participate in professional development.

Further, the task force recommends the Legislature consider options to support delivery of professional development options (including higher education and credential programs) in multiple languages. In 2013, an estimated 18% of Washington's early childhood educators were immigrants, many of whom had limited English proficiency. Requirements for attaining credentials or completing courses offered only in English could prevent many educators from continuing in the profession.

**Incentives are needed to promote early childhood education credentials and career pathways.** Currently, some providers participating in Early Achievers are eligible for scholarships to support an increase in quality levels. In addition to continuing the Washington Early Achievers Grant, the task force recommends the Legislature consider options for expanding scholarships, loan repayments and other financial supports to incentivize current and potential child care staff to advance in early childhood education and careers.

"It is getting very difficult to tell staff they need a degree or education and then barely be able to pay them minimum wage. They make a fraction of school teachers."

Child care provider in Washington state (EOI 2018)

**Rec. A5. Foster a culture of support and mutual respect among child care licensors, regulators and providers:**

- Establish consultative practices and service standards.
- Enact a third-party evaluation of the regulatory environment engaging both licensing staff and providers to inform collaboration and continuous improvement.
- Compile data to better track provider closures. Conduct learning interviews with providers leaving the industry or Early Achievers system to better understand exit reasons.
- Create and maintain a clear, shared guidebook for both licensors and providers outlining all licensing standards and expectations in plain language.

The task force recommends the state increase efforts to develop and sustain a culture of mutual respect and collaboration among licensors, regulators and child care providers. Even though regulators have involved providers in negotiating

"The early learning community is very much like a triangle. DCYF, family homes and centers are interconnected in the work that we do for families. Unless there is synergy between the adjacent sides, the system will flounder. In order for it to succeed, DCYF staff must view providers as their ally in the overarching goal of improving the lives of children."

Lois Martin, Community Day Center for Children

rules and informing policies under development, and many providers have reported positive, respectful relationships with their licensors, the task force found no standardized, consistent culture of support and mutual respect across the state and within DCYF.

The task force also recommends the state:

- Establish standards for consultative practices and service
- Create and maintain resources that clearly describe guidelines and expectations for licensors and providers
- More closely track provider closures and reasons for exiting the industry
- Conduct a periodic external evaluation of the state’s regulatory environment to inform continuous improvement to achieve regulatory goals while minimizing burdens on child care providers

**Rec. A6. Support child care provider startup and expansion:**

- Offer technical assistance for business startup, operation, and growth.
- Implement statewide, shared services programs and cooperatives for provider business needs (financial management, human resources, purchasing, etc.).
- Create and maintain a “best practices” guidebook for providers to support quality business and management operations.

The task force recommends the Legislature consider options to support the startup and expansion of child care programs. This would help increase the state’s supply of child care providers and their capacity to serve additional children.

The task force found that Washington has few resources to support efficient, sustained operation of child care programs. Most child care providers in the state are small businesses or nonprofit organizations focused on delivering high-quality care and education. Providers have reported lack of staff capacity, expertise and financial resources to support effective business administration.

The task force identified as a promising practice DCYF’s shared services pilot program to centrally support financial management, human resources, purchasing and related services for early childhood education programs. The task force recommends the state scale up the shared services pilot program to offer access to child care shared services cooperatives statewide.

The task force further recommends the state collaborate with community development financial institutions (CDFIs) and other partners to offer technical assistance and a guidebook to support child care financing and business management. Business support services could include administrative support, cost-sharing techniques, technical assistance, consultation, training and mentorship.

**Rec. A7. Increase access to grants, loans and other funding sources to offset child care operating and capital facility costs, including but not limited to the Early Learning Facility Fund, small grants and microloans.**

*This is a principle to guide the task force's continued work.*

The task force agreed with the principle that providers have insufficient options to finance programs and facilities. The task force recommends the Legislature consider options to increase access to child care grants, loans and other financial assistance so providers can cover unanticipated costs and raise capital funds for facility improvements and construction. Child care businesses generally have a low profit margin. This recommendation would allow providers to continue operating, increase quality and serve more children, and it would lessen the need to increase tuition rates.

The Washington State Department of Commerce currently administers an Early Learning Facilities Fund (ELFF) and a Child Care Facility Fund. In 2018, the state Legislature appropriated a round of ELFF funding to expand available early learning facilities and classrooms to support state-funded early learning opportunities for low-income children. The statutory authority for this program is RCW 43.31.575. The 2018 funding included \$4.5 million in direct appropriations from the Legislature, \$5 million to a loan program operated by a CDFI and \$5.6 million to a competitive grant program.

Commerce received more than 115 competitive grant applications requesting a total of \$30 million to create a projected 3,159 new child care spaces. Applicants included 29 family homes and 86 child care centers. The program funded 17 projects (\$5.67 million) to add a planned 833 spaces in child care centers and school-based programs.

For the 2019-21 biennium, the Legislature appropriated \$17,293,440 for ELFF grants. The program will fund three types of projects using a competitive process:

- \$100,000 for the facility pre-design grants (\$10,000 maximum grant)
- \$1,910,877 for minor renovation or repair of existing early learning facilities (\$100,000 maximum grant)
- \$15,282,563 for major construction, renovation or building purchase (\$800,000 maximum grant)

The Child Care Facility Fund (CCFF) was created in 1990 to provide financial assistance through loans and grants to employers and child care businesses to increase availability of quality, affordable, convenient child care for working families. Since its inception, this program has awarded \$2.5 million in grants and \$3 million in loans to 136 nonprofit and for-profit organizations and individuals.

The CCFF has helped leverage more than \$33.5 million in additional project investment, create more than 800 jobs at 106 child care facilities, and create and support more than 9,000 licensed child care spaces. The fund has passed \$1.5 million to five community-based organizations to provide microloans to child care

providers. The statutory authority for this fund is RCW 43.31.502 through RCW 42.31.514.

The task force recommends the Legislature continue funding these and other existing programs to increase access to child care grants and loans.

**Rec. A8. Support development of child care facilities:**

- Continue to invest in the Early Learning Facilities Fund.
- Offer retail sales and use tax exemptions.
- Streamline facility permitting and licensing.
- Focus on rural and underserved areas.

*This is a principle to guide the task force's continued work.*

The task force identified the need to support development of child care facilities to increase child care capacity. The task force recommends the Legislature consider the options for supporting development of child care facilities described in "[Goal C: Streamline Permitting and Licensing to Support the Construction, Renovation and Acquisition of Child Care Facilities.](#)"

**Rec. A9. Provide state funds to leverage public-private partnerships with community development financial institutions (CDFIs) to develop child care financing options, such as loan programs.**

The task force recommends the Legislature continue to allocate state capital budget funds to partner with CDFIs to increase loan and other financing options for child care facility development and expansion. Access to capital funding, including loans, is essential to expanding capacity of child care programs to serve more children in Washington.

Commerce's ELFF program has established a CDFI partnership that includes the Washington Community Reinvestment Association (WCRA), Enterprise Community Partners and Craft3. As of October 2019, the CDFI was just getting underway and beginning to move projects through the pipeline.

This CDFI will use state funds to leverage nonstate funds to help child care providers finance the expansion, remodel, purchase, and/or construction of early learning facilities. This 10-year revolving loan fund will make loans available to eligible organizations per the ELFF statute (RCW 43.31.575). The ELFF state dollars will leverage private funds from the Ballmer Group, Seattle Foundation, Bill and Melinda Gates Foundation, private debt raised by the WCRA and Craft3, and other funding sources. Commerce has awarded \$5 million to the CDFI to match a minimum 1-to-1 ratio.



**Rec. A10. Promote diverse and inclusive child care settings so children have equitable opportunities for learning that help them achieve their full potential as engaged learners:**

- Develop the capacity of neighborhoods and communities to meet local child care needs in a variety of settings.
- Support and enable child care programs to:
  - Implement trauma-informed, culturally responsive, and bias-reducing practices, including providing opportunities for education on implicit and explicit bias and other types of cultural competency-focused training.
  - Recruit and retain educators and leaders who reflect the diversity of served families (race, ethnicity, gender, and home language) and exhibit a commitment to improving their practice.
- Ensure, to the extent possible, that any formal assessment tools are designed and validated for use with the children being assessed, considering age, culture, language, social and economic status, and abilities and disabilities.

*This is a principle to guide the task force's continued work.*

The task force agreed with the principle that diverse, equitable, inclusive settings for children would result in the best outcomes for learning and development and would reduce child care access disparities and disproportionalities. The task force recommends the state work to build child care capacity within, by and for the communities served.

The task force recommends the Legislature consider options to support child care settings that meet the cultural, linguistic, geographic, social-emotional and developmental needs of Washington's diverse families. This includes support for developing the local capacity of neighborhoods and communities to meet local needs. In addition to offering resources statewide, the state could partner with and invest in local communities, tribes, cultural and faith communities, communities of color, employers, schools, and groups with existing infrastructure and relationships to build capacity to meet diverse child care needs.

[“See Goal D: Reduce Disparities and Disproportionalities in Child Care Service Delivery and Access”](#) in this report for more information.

## Goal B. Increase Employer Support of Child Care

*As documented in the Mounting Costs report and analysis (Attachments 1 and 2), lack of affordable, accessible child care negatively affects employers' ability to recruit and retain talent, workforce participation, employee attendance, and worker productivity. The task force recommends the state and partner organizations provide resources, technical assistance, recognition, and tax incentives to increase employer investment in child care.*

**Child care issues disrupt Washington parents' employment and career progress.** The 2019 *Mounting Costs* survey of Washington parents with young children found that half of respondents who sought it found child care difficult or very difficult to find and keep. Twenty-seven percent (27%) of parents who responded to the survey had quit or lost their jobs due to child care issues, and the same number reported having reduced work hours to part-time. Twenty-nine percent (29%) of responding parents had declined jobs or promotions due to child care issues.<sup>24</sup>

**Child care access limits workforce participation.** Workers with children under six represent 15% of Washington's workforce. In an estimated 61% of these households, all adults work. When the survey results are extrapolated to the statewide workforce, big numbers result: an estimated 142,500 workers left the workforce due to child care issues. For those in the workforce, 48% missed an average of five or more days of work during the previous six months, while 59% reported they arrived late or left early due to child care issues. *Mounting Costs'* Eastern Washington University economic analysis (Attachment 2) revealed \$2.08 billion in estimated direct costs to employers due to turnover and missed work and \$6.5 billion in total estimated direct and opportunity costs to businesses and the state's economy because of child care issues.<sup>25</sup>

Without access to reliable, affordable child care, employees miss work, reduce hours, turn down job opportunities and leave positions. These results affect employer production and bottom lines and stifle the state's workforce development.

**Our future workforce would benefit from access to high-quality child care.** Child care isn't just babysitting so parents can work: early childhood brain research has demonstrated that high-quality early learning is one of the best investments we can make. A well-researched Federal Reserve Bank early learning investment report built the business case that early learning should be a top-priority economic development investment with an 8-to-1 return on investment.<sup>26</sup> Ongoing research of James Heckman, University of Chicago, has found evidence to support the claims that high-quality early childhood education has a high return on investment, and that an expansion of early learning investment will benefit our economic and civic future.<sup>27</sup>

"The highest rate of return in early childhood development comes from investing as early as possible, from birth through age five. Starting at age three or four is too little too late, as it fails to recognize that skills beget skills in a complementary and dynamic way. Efforts should focus on the first years for the greatest efficiency and effectiveness."

James J. Heckman, December 7, 2012

## Employers can take action to support child care for their employees.

With significant business representation, the task force was able to have an ongoing discussion of the business sector's understanding of the need to support employee child care. The task force came to realize that increasing employer support will require an incentive for businesses. There are early adopters who have invested in onsite child care, family-friendly policies, and backup child care for employees.

The task force explored possible strategies, and incentives for employers to support the child care needs of their employees. Task force members pursued these questions:

- How can we encourage and incentivize employers to support their employees' child care needs?
- Which policies or models should be promoted to make a large impact?
- Which public-private partnerships make sense?
- How do we get buy-in from business leaders?

The following recommendations are the result of this work and deliberation by the entire task force.

“Businesses and employers can play an important role in supporting child care by implementing policies that will help employees obtain child care through a flexible work schedule, back-up child care, onsite child care, or by contributing to or subsidizing child care. By taking an active role, employers will benefit from less employee turnover and retention of talent.”

Nikki Torres, Tri-Cities Hispanic Chamber of Commerce

## Task Force Recommendations

### **Rec. B1. Educate employers on the business case for supporting child care and reducing barriers to participation in employer-supported child care programs. Demonstrate the case with data.**

The task force recommends the Legislature consider options to support education of employers about how child care impacts workforce availability and quality, and what insufficient child care costs employers in turnover costs and lost productivity. This will raise awareness of the importance of addressing child care access as a business, workforce, and economic development issue, which will help increase support to address the issue. This information will also empower businesses to make informed decisions for their employees, future workforce, and bottom line.

The task force found that the first step for many employers considering supporting their employees' child care was to better understand the business case for child care engagement. The U.S. Chamber of Commerce Foundation (U.S. Chamber Foundation) released a 2017 report and call to action for business involvement. The report included a Leading the Way toolkit that calls for business advocacy and actions to remove child care barriers to both increase workforce participation and to ensure high-quality early learning for tomorrow's workforce. The U.S. Chamber Foundation continues to publish early childhood education content and participate in efforts to educate business leaders across the nation, including strategy sessions

and roadshows of events highlighting the positive economic impacts of investment in early childhood education.<sup>28</sup>

The U.S. Chamber Foundation co-funded Washington state's 2019 *Mounting Costs* parent survey and economic impact analysis (Attachments 1 and 2) in partnership with the Association of Washington Business, Child Care Aware of Washington, Children's Alliance, and Washington State Department of Commerce. This effort has helped quantify impacts of child care to Washington employers and businesses. Local and state-level business groups, economic development councils, and industry associations (many of whom have been engaged in task force work) could implement this recommendation. Task force members and partners have begun planning regional outreach efforts to share information about the effects of insufficient child care access on businesses.

**Rec. B2. Develop and promote an informational web-based menu of options for employers to support employee provision of child care, such as what options exist, how to evaluate and access them, and available recognition or incentive programs. Examples of the menu of options could include connecting employers with resources regarding:**

- Implementing "bring your infant to work" and other family-friendly model policies
- Allowing for parent choice among child care options
- Providing backup child care
- Providing onsite child care
- Contracting with nearby child care programs
- Accessing federal, state, and local tax incentives
- Offering the Dependent Care Assistance Program
- Participating in voluntary programs recognizing family-, child-, and breastfeeding-friendly workplaces

The task force recommends the Legislature consider options to develop and promote a web-based menu of options for employers to support provision of child care. This resource could make it easier for employers to support their employees' child care needs. The recommendation could be implemented by state agencies and organizations representing business, employers, labor, and child care providers. The task force expects this relatively low-cost recommendation, if paired with education and financial incentives, would help employers identify implementable options no matter the size of their organization.

The task force envisions a website with descriptions and links to existing resources. A single agency or organization would maintain the site, and partner organizations would assist with marketing, promotion, and education. The menu of options would include information about child care resource and referral services, model policies and best practices to improve the work environment for employees with dependents, fringe benefit options, and potential tax-deductible or creditable investments to support employee child care.

**Rec. B3. Implement a tiered business tax incentive program to match business expenditures for provision of employee child care, including but not limited to the following expenditures:**

- Contributions to child care savings accounts
- Child care vouchers or tuition payments
- Provision of external child care and back up care
- Provision of onsite child care
- Start-up costs

*Recommended Parameters:* (a) Provide businesses adding a new child care benefit with a greater tax credit; (b) Provide businesses with a child care benefit in place a lesser tax credit; and (c) Require the Joint Legislative Audit and Review Committee (JLARC) to conduct a study after three years of credit effectiveness, including who benefits and how well the program meets task force goals.

The task force recommends the Legislature consider options to implement a tiered employer-supported child care tax incentive program that would match business expenditures for specified employee child care benefits. Businesses are willing to invest and support child care without necessarily receiving a dollar-for-dollar credit. However, the task force heard from business representatives that a credit of this kind would be necessary to incentivize businesses to start a new employer-supported child care program. The Department of Revenue provided analysis to support task force discussions of potential business tax incentives.

The task force found that a business and occupation (B&O) tax credit program modeled on existing state programs would provide the most significant incentive for businesses to support child care. The scope of impact and cost of this tax incentive program would vary, depending on credit design and implementation. The task force advises that the program provide greater tax credits to employers providing new benefits and lesser credit for those with established child care benefits.

Features of the child care tax incentive program could include:

- Implementing a “trial stage” to test efficacy of impacts of a child care tax incentive program.
- Setting limits for the program and/or individual not to exceed a specified amount.
- Offering a range of credits from 50% to 100% of the documented child care benefit expenditures.
- Targeting eligibility to specific regions, industries or employee income classes.
- Establishing a child care flexible spending account program allowing employee control of the funds within provisions of the established guidelines. This state program would complement the federal Dependent Care Assistance Program, which limits employee contributions to \$5,000 per year.

If implemented, an employer-supported child care tax incentive program could leverage public funds to increase private investment in child care. It could also help match demand to supply, as employers would be motivated to tailor their programs to the needs of their employees. The task force recommends the state consider options to implement and review the program so that it effectively increases employer support of child care. Figure 1 provides an example of how this tax incentive program could work.

Figure 1: Child Care Tax Incentive Program Example

**Example:** Company XYZ has 66 eligible employees and offers them each a \$6,000 child care benefit deposited in a flexible spending account managed by a third party. Employees can access the account via a simple procedure of submitting child care cost invoices and getting reimbursed. The company can request a tax credit of 75% of its total child care benefit cost on its tax filing following the calendar year of the benefit provision.

**Rec. B4. Provide a retail sales (and use) tax exemption or deferral for construction, renovation, and remodeling of child care facilities.**

The task force recommends the Legislature consider providing a retail sales and use tax exemption or deferral for child care facility development. The task force found that facility development costs are a major impediment to increasing access. This tax exemption or deferral program, along with other task force facility recommendations, could help spur and support child care building construction and renovation. In addition to lowering costs for employer-supported onsite child care, this recommendation would directly benefit child care providers. The program would be easy to administer. Analysis from the Department of Revenue showed that, assuming 100 new facilities and 150 renovations, the estimated fiscal impact would be about \$9 million per year to state government and \$4 million per year to local government.

**Rec. B5. Provide a point-of-sale, sales (and use) tax exemption on consumables used in providing child care.**

The task force recommends the Legislature consider providing a sales and use tax exemption for child care supplies, furniture, and other consumable items. Similarly to the Recommendation B4, this recommendation could not only benefit employers who provide onsite, it could lower costs for all child care providers. The task force, in consultation with the Department of Revenue, found that a point-of-sale, sales (and use) tax exemption for child care consumables would be easy to scale and implement. Items eligible for the tax exemption may include child care furnishings, learning materials, linens, kitchenware, paper products, cleaning supplies, infant care products, games, toys, manipulatives, books, administrative supplies, and any other consumable items used to start up and operate a child care program. Eligible items may be increased or decreased to reach the targeted fiscal impact.



The exemption would be easy to use and administer. Providers would simply provide an exemption certificate when purchasing eligible items. As with any point-of-sale, sales (and use) tax exemption, there is a potential for fraudulent use. This tax exemption alone would be unlikely to incentivize an employer to begin providing onsite child care. Nevertheless, it would decrease child care provider costs, which may help providers maintain profitability and stay in business.

**Rec. B6. Pilot within state government a model “bring your infant to work” policy to demonstrate how other employers could scale and implement the model policy. Include alternative infant care options and other family-friendly policies for workplaces and jobs unable to consider hosting infants given workplace conditions.**

The task force recommends the Legislature consider options to support a state government pilot of family-friendly workplace policies, such as a model “bring your infant to work” policy. The task force supports state government piloting model infant-at-work and other family-friendly policies in order to prove the concept and identify lessons learned when implementing these policies in small, medium, or large organizations. The task force would like the state to pilot alternative policies for workplaces and occupations where bringing an infant to work is not feasible. Legislation introduced in 2019 (HB 1145) described guidelines for implementing a state employee “bring your infant to work” pilot program. Many agencies could adapt existing policies to align with the model policies. Implementing a “bring your infant to work” policy benefits employees by allowing additional bonding time with their babies and reducing the need for costly, hard-to-find infant care. While this pilot program alone would not necessarily incentivize employers to support child care, it would complement a suite of employer-supported child care incentives.

Figure 2: Recommended Infant at Work Model Policy

**Recommended Infant at Work Model Policy: Parenting in the Workplace Institute**

Legislation (SHB 2367) directed the task force to recommend a model infant-at-work policy that employers may implement to help parents with infants return to work. The task force recommends the Parenting in the Workplace Institute “Babies-at-Work” model policy. The policy has been used across the country in a variety of industries. The Babies-at-Work policy template is customizable and comprehensive, covering most of the issues addressed in other policies the task force considered. The Babies-at-Work policy template may be found in Attachment 3 and online at <https://www.babiesatwork.org/>

## Goal C. Streamline Permitting and Licensing to Support the Construction, Renovation and Acquisition of Child Care Facilities

*Increased access to child care will require additional facilities. The task force recommends the state streamline requirements and processes, provide technical assistance and supports, and increase access to capital funding. Future task force reports will assess statewide facilities needs and develop an implementation plan for access to child care for all Washington families.*

The task force found that child care providers face facility development challenges associated with uncertain requirements, costs, and processes to permit and license new and expanding child care facilities. Many child care providers are small businesses or nonprofits with limited experience, resources, and access to professional services that may help them identify, finance, and develop sites and facilities. These challenges, and the capital funds needed, impede construction, renovation, and expansion of child care facilities. Washington state will need additional child care facilities to meet the demand for child care in each community.

In July 2020, the task force will conclude a statewide facilities needs assessment for child care and early learning programs. This will help us quantify and qualify gaps in the child care supply. In the meantime, the Legislature, agencies, and partner organizations can support child care facility development by streamlining permitting and licensing standards and processes, providing technical assistance and resources, investing in the Early Learning Facilities Fund, increasing access to facilities grants and low-interest loans, limiting impact fees, and simplifying child care licensing and change of ownership with a pre-approval process.

“This section in the recommendations acknowledges the financial constraints that standards create for small businesses. We need to be mindful of the fact that requirements, necessary or unnecessary, cost money. With such an inflexible business model, centers need to be able to spend carefully to create safe and structured environments for children.”

Luc Jasmin, Washington Childcare Centers Association and Parkview Early Learning Center

### Task Force Recommendations

#### **Rec. C1. Invest in technical assistance for construction or renovation of child care facilities to ensure timely and efficient startup and expansion:**

- Scale up the child care facilities technical assistance provision funded in 2019. Target provision in areas with most significant child care access challenges. Ensure the state has capacity to provide or contract with subject matter experts.
- Create a guidebook or other tools for prospective providers detailing the steps to meet permitting, licensing and other specification requirements.

The task force recommends the Legislature consider options to invest in technical assistance to support child care facility startup and expansion. This recommendation would help increase access and ease market entry for new and expanding providers, and help ensure providers gain knowledgeable support and timely guidance. The task force found that a technical assistance program would require increased staffing and/or funding for DCYF to contract services. The technical assistance program could be linked to the existing network of provider services and coaches. The state could develop a facility development guidebook to clarify requirements and prepare providers for their development path ahead. Technical assistance should include identifying and accessing sources of matching funds, such as CDFIs.

**Rec. C2. Streamline licensing during child care facility development:**

- Scale up the licensing pre-approval process to all new child care construction and renovation projects.
- Coordinate local and state agencies such as DCYF, State Fire Marshal, and State Building Code Council to assess and streamline licensing processes.

The task force recommends the Legislature consider options to support streamlining child care licensing during facility development. Simplifying the process to license a facility would reduce uncertainty child care providers face during facility construction and renovation. Currently, individual providers need to comply with a range of agencies in the licensing process and often lack certainty before they proceed with new facilities. Child care providers may not have access to check in with licensing agencies while a construction project is designed or underway to ensure that the end result will meet licensing standards. Child care providers have shared stories with the task force about finding out well into the construction process that the kitchen or bathroom configuration would not work, they had to use a specific kitchen hood, a grease trap was required, or the project would be subject to significant impact fees. Child care providers considering facilities in urban or developed areas with no options for licensed outdoor space would need to confirm that an alternative would be possible (such as daily field trips to the park) before purchasing and renovating the building for child care.

In 2019, DCYF began to provide pre-approval for providers submitting proposals to the state Early Learning Facilities Fund. The task force recommends the state expand this process improvement to all providers. This may require increased state agency resource capacity and coordination between DCYF and other authorities such as the state fire marshal.

**Rec. C3. Partner with appropriate entities and jurisdictions to limit or eliminate local construction impact fees for child care facilities.**

Child care facilities serve a critical public purpose, like schools. Many local jurisdictions charge local impact fees for child care facility development projects. Impact fees can increase costs by over \$100,000 for moderately sized child care centers in some jurisdictions. The task force recommends that the state partner with

jurisdictions and stakeholders to limit or eliminate local impact fees while assuring that fees can be assessed if the use of the facility no longer serves child care and early learning.

**Rec. C4. Evaluate child care licensing standards and their impact on the development and maintenance of child care facilities.** Initiate collaborative continuous improvement processes for licensing standard implementation and monitoring.

The task force recommends the state develop continuous, collaborative evaluation and improvement processes for licensing standard implementation and to minimize any negative impacts on the development and maintenance of child care facilities. DCYF recently completed a negotiated rulemaking process and collaborative implementation process. A continuous licensing standard improvement process in partnership with child care providers should become regular practice.

**Rec. C5. Simplify and streamline licensing process for change of ownership of existing child care programs.**

The task force recommends the state simplify and streamline licensing processes for existing child care programs that change ownership. Relicensing existing programs to new operators is a regulatory pain point for providers. Few options exist for retiring center owners to easily transfer ownership of existing businesses. Ensuring ease of business succession would help prevent closures of child care programs, even for short periods of time, especially in regions with scarce availability. This recommendation supports professional growth in the child care field by providing pathways to small business ownership.

## Goal D. Reduce Disparities and Disproportionalities in Child Care Service Delivery and Access

*Families struggle to find affordable, accessible child care. Barriers related to income, education, race, ethnicity, culture, language, literacy, health, mental health, trauma and toxic stress, transportation, housing, neighborhood, and other factors disproportionately affect some Washington families. The task force recommends policies to reduce these barriers and provide equitable access to child care. Future task force reports will examine the subsidy system, diversity, and underserved areas to recommend specific policies and implementation plans to reduce disparities and disproportionalities.*

**Child care is expensive.** Infant care provides the most striking example. Washington parents needing full-time care for their infant will pay 113% more than in-state public college, and 5.4% more than average rent. If the infant has a four-year-old sibling, the family would pay 46% more for child care than average rent.

Figure 3 shows the proportion of income different families would pay for infant care in our state. Using the U.S. Department of Health and Human Services measure of child care affordability as no more than 10% of family income, only 24% of Washington families have access to affordable infant care.<sup>29</sup>

### How big a bite does child care take? *Infant care costs as a share of income in Washington*

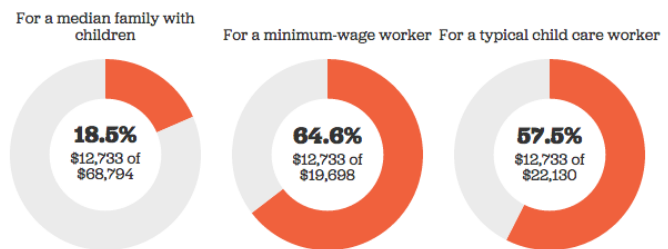


Figure 3: Infant Care Costs as a Share of Income in Washington, Economic Policy Institute

**Racial and ethnic disparities exist in school readiness and child care access.** In the 2018-19 school year, only 40% of children of color arrived ready for kindergarten in all six WaKIDS domains, compared to 51% white children.<sup>30</sup> Studies have shown that racial and ethnic groups have disparate access to child care, preschool, health and other early childhood services.<sup>31 32</sup> More can be done to complement and extend important diversity, equity and inclusion work in the early childhood education community, such as the 2013 Racial Equity Theory of Change.<sup>33</sup>

**Child care is hard to find.** The Center for American Progress released a 2018 report showing that Washington state ranks 6<sup>th</sup> in the country for the number of people living in a child care desert. It showed that approximately 63% of Washington residents live in a child care desert, where child care capacity does not meet demand.<sup>34</sup> While some experts suggest this analysis may be overstated, it still puts a spotlight on the challenges our state faces, especially in rural, remote, and densely populated areas. The task force will evaluate child care access gaps and facilities needs, and report findings to the Legislature in July 2020.

Future task force reports to the Legislature will recommend policies to support providers serving families furthest from opportunity, and providers demonstrating additional linguistic or cultural competency. These reports will also include a child care cost

estimate model that can be used for policymakers to identify the full cost of licensed, high-quality child care for communities and populations in our state.

## Task Force Recommendations

### **Rec. D1. Create a graduated co-pay structure that eliminates the “cliff effect” for all state-administered child care subsidies.**

*This is a principle to guide the task force’s continued work.*

The task force agreed with the principle that families should not experience sudden increases in child care subsidy co-payments or immediately lose subsidy when their pay increases just above the eligibility threshold. Child care allows families to participate in the workforce, and our subsidy system should help those with low-income access child care. Steep co-pay differences and policies that result in families disqualifying for subsidy following minor pay raises makes the subsidy system complicated for families to use.

The task force recommends the Legislature consider options to support graduating the subsidy co-pay structure so families do not experience a “cliff effect” and more families can access child care. The task force will evaluate state-administered child care subsidies and provide the Legislature a phased implementation plan for policy changes to the Working Connections Child Care (WCCC) program in December 2020.

WCCC helps families with incomes below 200% of the federal poverty level pay for child care while they work or attend certain education programs. When a family qualifies for child care subsidy benefits and chooses an eligible provider, the state pays a portion of the cost of child care. The parent is responsible to pay a copayment to the provider each month. Eligibility is determined by family income and size, with increasing income resulting in larger co-pays up to the subsidy limits.

The sudden loss of child care benefits due to rising income — the “[cliff effect](#)” — can harm families both in the short and long term. Families may change child care providers, opting for a less expensive and potentially lower-quality option if they can no longer afford the care they previously received. This poses risks for children, who benefit from routine and stable environments. A 2018 study in Pierce County demonstrates the real impact of the cliff effect. Losing WCCC can feel like a loss of income. For example, a family of four (infant and preschooler) with each adult working for \$12 per hour sees an “effective wage” increase to \$15 per hour, including their WCCC benefit. However, they lose the subsidy when their wages reach \$12.50 per hour. This drops the parents’ effective wages by \$5 per hour, now that they must pay market rate for child care. They regain that income only when each parent’s wages reach \$15 per hour.<sup>35</sup>

Some states have effectively softened the slope of child care subsidy copayments. Colorado created the Child Care Assistance Cliff Effect Pilot Program, which slowly phases out the amount of public assistance for families above the subsidy threshold.<sup>36</sup>

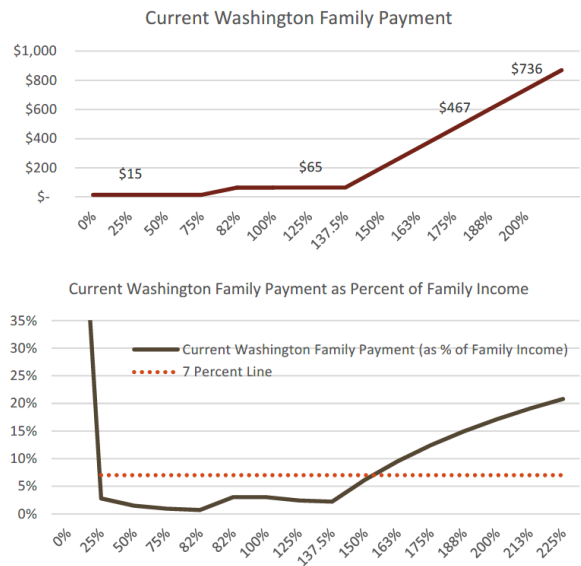


Figure 4 shows that Washington’s WCCC co-pay structure has steep copayments from about 140% to 200% of federal poverty level. At these income levels, the copayments exceed federal guidelines for affordable child care (10% of income).

Figure 4: Washington Working Connections Child Care Subsidy Co-Payment Structure<sup>37</sup>

Co-Payment Structure has steep co-payments for all but very low-income families.

Only 16% of eligible children are served with subsidy.



**Rec. D2. Increase eligibility for state-administered child care subsidies to support more low- and middle-income families.**

*This is a principle to guide the task force’s continued work.*

In addition to eliminating the eligibility “cliff effect” described in Recommendation D1 above, the task force also recommends the Legislature consider options to expand the subsidy eligibility window to support more families. Expanding eligibility limits can also serve as a way to implement a “slope” to replace the current “cliff.”

Child care costs are not just a challenge for low-income families. Moderate- and even middle-income families also face costs that often exceed tuition at our state’s public colleges. The *Mounting Costs* report (Attachment 1) parent survey participants matched our state’s income demographics. The report documents the challenges faced by working parents and the impact it has on their work participation.

Researchers at the University of New Hampshire Carsey School of Public Policy found in 2018 that U.S. child care expenses pushed approximately 9% of working families with children under age six out of the middle class.<sup>38</sup> Their study found that many working families cannot attain middle-income status because of child care expenses, while many additional families maintain this status by relying on unpaid child care, informal arrangements with family or friends, or below-market-rate services, potentially from unlicensed care providers. An even greater share of middle-class families would be pushed out if they incurred typical child care costs.

**Rec. D3. Prioritize increasing affordability of child care for families disproportionately affected by barriers and furthest from opportunity.**

*This is a principle to guide the task force's continued work.*

The task force recommends the Legislature consider options to prioritize increasing child care affordability for families furthest from opportunity. In the December 2020 report to the Legislature, the task force will recommend policies for DCYF to provide additional targeted investments for child care providers serving populations furthest from opportunity. Future recommendations will include providers serving children enrolled in the state Early Childhood Education and Assistance Program (ECEAP), underserved geographic communities, underserved ethnic or linguistic communities, underserved age groups such as infants and toddlers, and populations with specialized health or education needs.

**Rec. D4. Enable child care providers to care for children eligible for state child care subsidies by adjusting provider subsidy rate payments to cover the full cost associated with providing high-quality child care.**

*This is a principle to guide the task force's continued work.*

The task force agreed with the principle that child care providers should receive subsidy payments that cover the costs associated with providing high-quality child care. The task force recommends the Legislature consider options to increase child care subsidy rate payments, and base the payments on the cost of providing care.

Subsidies help low-income families access high-quality child care. Washington's child care subsidy reimbursement rate is generally lower than regional market rates for child care. Research has suggested that while a lower subsidy reimbursement rate allows more families to access the subsidy, it also contributes to low child care staff wages and a less stable child care workforce.<sup>39</sup> The National Institutes of Sciences, Engineering, and Medicine have suggested that not only should a quality-oriented early care and education system (like Washington's) reimburse child care providers based upon the total cost of high quality, it should build into the model the costs of a highly qualified and adequately compensated workforce.<sup>40</sup>

"My center has teachers paid 30-40% above the industry average and full medical/dental. Our turnover is only 5% for all full-time teachers, while the industry average is well over 40%. The unfortunate result of operating our business with a focus on high quality is that we are unable to accept families utilizing state subsidy, as it only covers 60% of our tuition, and not possible with our business model."

Nicole Sohn, Journey Discovery Center

In the December 2020 report to the Legislature, the task force will include a child care cost estimate model to determine the full costs of providing high-quality child care in different regions of our state, including costs associated with statutory and regulatory requirements and each level of the Early Achievers quality rating system.

**Rec. D5. Support and enable child care and related programs to implement trauma-informed, culturally responsive, and bias-reducing practices, including providing opportunities for education on implicit and explicit bias and other types of cultural competency-focused training.**

*This is a principle to guide the task force's continued work.*

The task force recommends the Legislature consider options to support and enable child care programs to implement practices that will support children who have experienced trauma, reduce bias, and increase cultural responsiveness of child care settings. This will increase the quality of child care settings and better meet the diverse needs of children in our state.

Legislation passed in 2018 (EHB 2861) directed DCYF to develop a five-year strategy to expand training and awareness in trauma identification and positive behavior supports in early learning environments to improve outcomes for young children. The task force recommends continuing to develop and implement the strategy.

The context for learning includes complex developmental, cognitive, physical, social, historical, and cultural systems. An expanding body of research has suggested that learners grow and learn in culturally defined ways in culturally defined contexts.<sup>41</sup> Research has suggested that early childhood educators provide culturally sensitive care to support children's development.<sup>42</sup> To provide early childhood settings that are sensitive and responsive to family cultures, the task force recommends the state support provision of training and encourage practices that reduce bias and increase cultural responsiveness in child care settings.

**Rec. D6. Incentivize provision of nonstandard-hour child care, including evening, weekend, and overnight care, to increase access to child care for those who work or attend school during nonstandard hours.**

*This is a principle to guide the task force's continued work.*

The task force recommends the Legislature consider options to incentivize providing child care during nonstandard hours (NSH) to increase access to child care for parents who work or take classes outside the hours of 6 a.m. to 6p.m. Monday through Friday, and have schedules that vary. An estimated 20% of Americans work nonstandard hours.<sup>43</sup> In 2018, Child Care Aware of Washington estimated 20% of child care inquiries received were for [NSH child care](#).<sup>44</sup> Child Care Aware of America reported in 2019 that nationally, NSH child care is very limited and often unlicensed. Only 8% of center-based providers reported that they offered NSH child care.<sup>45</sup> In Washington, 37% of working parents of children under six surveyed indicated they could not find child care that fit their work schedule.<sup>46</sup>

Options to incentivize provision of NSH child care may include higher subsidy rates; access to technical assistance and support to meet licensing standards for overnight care; and facilitating connections between providers and NSH employers to match supply to local demand.

**Rec. D7. Incentivize provision of child care in the child’s home language, and support dual language learning.**

*This is a principle to guide the task force’s continued work.*

The task force recommends the Legislature consider options to incentivize dual-language and home language child care programs to increase access to care for families with limited English proficiency and home languages other than English. This will encourage dual language learning, or learning two language systems simultaneously that leads to bilingualism. The Migrant Policy Institute estimated that Washington state has 296,000 parents of dual language learner children, only 10.4% of whom speak English.<sup>47</sup> In 2013, immigrants made up 20% of Washington’s early childhood education workforce. Immigrant early childhood educators provide the majority of linguistic diversity in the early education field.<sup>48</sup> Incentives may include offering existing and potential child care providers and staff additional supports to meet credential, education, and licensing requirements, and increasing subsidy rates for providers who demonstrate linguistic abilities. The task force will make additional recommendations to the Legislature in December 2020 to preserve and increase racial, ethnic, cultural, and linguistic diversity of Washington’s child care workforce.

“Racial and ethnic disparities and disproportionalities in child care impact communities of color by not recognizing and accommodating cultural and socioeconomic differences.

Culturally responsive childcare is important because it recognizes cultural and socioeconomic differences as well as English as a second language. Childcare providers adjust curriculum to meet the needs of the diverse class.”

Nikki Torres, Tri-Cities Hispanic Chamber of Commerce

**Rec. D8. Offer information in multiple languages to reduce language barriers in seeking and accessing child care.**

*This is a principle to guide the task force’s continued work.*

The task force recommends the Legislature consider options to offer child care resource and referral information in multiple languages. Increasing language access will reduce disparities in child care access for Washington parents with limited English proficiency. Using 2013 estimates, this would make it easier for up to 265,000 Washington parents to search for and find child care. Currently, online child care resource and referral information is available in English, Spanish, Russian, and Somali.<sup>49</sup> This recommendation may be implemented by providing resources to support translation and interpretation services for child care resource and referral agencies and outreach in communities where multiple languages are spoken.

**Rec. D9. Enable families to navigate and access child care and related programs through informational resources, technical assistance, outreach, and other supports.**

*This is a principle to guide the task force's continued work.*

The task force recommends the Legislature consider options to support provision of resources and assistance to enable all families to navigate and access child care and related programs. This recommendation could be implemented by child care resource and referral agencies and statewide organizations representing parents that could continually assess family needs and identify options to meet them. The task force will examine barriers to accessing child care and develop an implementation plan for increasing access in the next phase of work.

**Rec. D10. Support provision of child care in underserved geographic areas and rural areas so families may access child care in their local communities.**

*This is a principle to guide the task force's continued work.*

The task force agreed with the principle that extra support from the state and other sources is needed to help expand the supply of child care in rural and currently underserved locations. The task force recommends the Legislature consider options to support provision of child care in underserved and rural areas. This recommendation will help increase the supply of child care in areas with disproportionate access.

The task force learned from the *Mounting Costs* parents survey that half of Washington parents responding to the survey who sought child care could not find openings near their homes or workplaces. Additionally, 33% of parents responding indicated their primary challenge accessing child care was that available options were too far away. Economic development and chamber of commerce leaders across the state have reported that lack of child care is impeding economic growth and jobs in their communities. Recommendations in this report under [Goal A. Stabilize, Support, and Sustain the Child Care Workforce, Providers, and Industry](#) include additional options for supporting provision of child care and increasing the supply of child care in Washington.

The next phase of the task force's work will include a child care industry assessment and facilities needs assessment. This will help uncover the geographic gaps in child care provision. The assessment will map child care locations and where additional child care availability is needed based upon prospective demand. The task force will report assessment findings to the Legislature in July 2020.

“As an economic development professional, I never expected that so much of my time and energy would be spent on addressing child care inequity in my community and region. My ability to retain existing employers and attract new business is currently constrained by the lack of affordable and accessible child care. The bottom line is that child care providers are closing their doors in record numbers, and this is impacting the ability for my rural county to grow and thrive.

“To help address this crisis, we need a comprehensive approach. We need more tools available to us to actually make a difference. For us to retain and expand child care services, especially in rural areas, we need to create a dynamic and multi-faceted system that can help provide a safe, nurturing environment for our children while providing the resources necessary to allow our providers to operate and succeed within this critical industry.”

Dru Garson, Greater Grays Harbor, Inc.

# Conclusion

This initial report of the task force recommends steps the Legislature, state agencies, and partners can take to meet our state's child care challenges. Also included are findings and guiding principles for the next phase of the task force's work to develop a comprehensive implementation plan for the future. Over the past year, the task force has learned about and confirmed the range of issues confronting working parents, employers and the child care industry.

The task force found that:

- Washington lacks sufficient affordable, high-quality child care;
- Child care access affects our workforce, employers and economy in deep and measurable ways; and
- A comprehensive strategy is required that will need to be implemented steadily over time.

Washington faces a dilemma with the need to significantly increase access to high-quality child care swiftly enough to address the negative effects of insufficient access on our workforce, economy and children. Recommendations in this report help our state frame, and consider steps to solve, that dilemma. The task force is beginning a detailed assessment of the child care industry and developing a cost estimate model that will lead to more recommendations in 2020 and will also provide a strong foundation for our June 2021 strategic implementation plan to the Legislature. In the meantime, much can be done to improve the policies and programs that exist and create new tools and resources.

In closing, the task force reflects on our vision that Washington state become the nation's most equitable, affordable, and accessible child care system that benefits all our parents, child care staff and providers, employers and communities, providing:

- **Quality, affordable, accessible licensed child care** that gives parents diverse choices to meet their family and employment needs, regardless of their income, race or where they live.
- **An economically healthy and diverse child care industry** with a supported, well-compensated workforce that meets the demand and choice requirements of families and employers.
- **Increased workforce productivity** when employers support the child care needs of their employees through the availability of a scalable set of tools and incentives that increase access and affordability of high-quality child care.
- **New strategies and investments** from the public and private sectors that engage employers in supporting all working families' access to high-quality, affordable child care.

The task force is honored to present these recommendations and looks forward to the opportunity to continue our work to present a holistic plan for your consideration in 2021.



# Appendices

- A. [Task Force Membership](#)
- B. [Recommendation Development and Voting](#)
- C. [Recommendations at a Glance](#)
- D. [List of Recommendations](#)
- E. [About the Task Force](#)
- F. [Acronyms and Definitions](#)
- G. [Bibliography](#)
- H. [End Notes](#)

## Attachments

1. [\*The Mounting Costs of Child Care: Impacts of Child Care Affordability and Access to Washington's Employers and Economy\*](#) (10 pages)
2. [\*Washington State Childcare Study: Analyzing the Costs Facing Businesses Due to Workforce Turnover and Missed Time Associated with Inadequate Childcare Options\*](#) (19 pages)
3. [\*Parenting in the Workplace Institute Babies-at-Work Policy Template\*](#) (11 pages)

## Appendix A: Task Force Membership

**Table 2: Appointed Members and Attendees, July 2018-September 2019**

First	Last	Organization	Representing	Role
Amy	Anderson	Association of Washington Business	Association representing business interests	Voting
Michele	Beeler	Schweitzer Engineering Laboratories	Midsize business	Voting
Dru	Garson	Greater Grays Harbor Inc.	Chamber of Commerce – Western Washington	Voting
Erin	Haick	SEIU Local 925	Union representing child care providers	Voting
Luc	Jasmin	Washington Childcare Centers Association and Parkview Early Learning Center	Organization representing the interests of licensed child day care centers	Voting
Janelle	Johnson	Lummi Nation	Federally recognized tribe	Voting
Mary Ellen	O'Keeffe	Thrive Washington	Nongovernmental public-private partnership supporting home visiting service delivery	Voting
Maria Laura	Perez	Broetje Orchards – First Fruits	Small business (2018)	Voting
Ryan	Pricco	Child Care Aware of Washington	Statewide childcare resource and referral network	Voting
Neil	Strege	Washington Roundtable	Statewide nonprofit organization comprised of senior executives of major private sector employers	Voting
Nikki	Torres	Tri-Cities Hispanic Chamber of Commerce	Chamber of Commerce – Eastern Washington	Voting
David	Beard	School's Out Washington	Advocacy organization – expanded learning opportunity	Non-voting
Cate	Bridenstine	The Imagine Institute	Professional development for family day care providers and family, friend, neighbor child care providers	Non-voting
Michael	Cade	Thurston County Economic Development Council	Economic development organization – Western Washington	Non-voting

First	Last	Organization	Representing	Role
Mike	Canfield	Parents Association of Washington State	Advocacy organization – foster care youth	Non-voting
Mary	Curry	Pathways Enrichment Academy	Child care provider	Non-voting
RaShelle	Davis	Governor's Office	Governor's Office (2018-19)	Non-voting
Sen. Joe	Fain	Then-senator, 47th District, Washington Senate	Washington Senate Republican Caucus (2018)	Non-voting
Jessyn	Farrell	Civic Ventures	Community stakeholder	Non-voting
Sydney	Forrester	Governor's Office	Governor's Office (2019)	Non-voting
Tim	Gates	Employment Security Department	Employment Security Department	Non-voting
Ruth	Kagi	Early Learning Ambassador	Community stakeholder	Non-voting
Sen. Karen	Keiser	33rd District, Washington Senate	Washington Senate Democratic Caucus (2018-19)	Non-voting
Tracie	Kenney	Department of Children, Youth and Families	Department of Children, Youth and Families	Non-voting
Michael	Koetje	Pierce College and Tacoma Community College	Institution of higher education	Non-voting
Allison	Krutsinger	Children's Alliance	Advocacy organization – early learning	Non-voting
Bethany	Larsen	Child Haven	Child care provider/victim services	Non-voting
Justin	Leighton	Washington State Transit Association	Association representing statewide transit interests	Non-voting
Meg	Lindsay	Greater Spokane Inc.	Economic development organization – Eastern Washington	Non-voting
Lois	Martin	Community Day Center for Children	Child care provider	Non-voting

First	Last	Organization	Representing	Role
Rep. Bob	McCaslin	4th District, Washington House of Representatives	Washington House of Representatives Republican Caucus	Non-voting
Babette	Roberts	Department of Social and Health Services	Department of Social and Health Services	Non-voting
Kristine	Rompa	Department of Revenue	Department of Revenue	Non-voting
Adie	Simmons	Washington Family Engagement	Advocacy organization – parents	Non-voting
Cheryl	Smith	Department of Commerce	Department of Commerce	Non-voting
Ginger	Still	Kid’s World	Child care provider	Non-voting
Genevieve	Stokes	Department of Children, Youth and Families	Department of Children, Youth, and Families	Non-voting
John	Swartz	Kiddie Academy	Child care provider	Non-voting
Faith	Trimble	Capitol Campus Child Care Center	Child care provider	Non-voting
Sen. Claire	Wilson	30th District, Washington Senate	Washington Senate Democratic Caucus (2019)	Non-voting
Mackenzie	Chase	Seattle Metro Chamber	Community stakeholder	Attendee
Emily	Dills	Seattle Nanny Network	Community stakeholder	Attendee
Anna	Edwards	Momazonians, an employee parenting group at Amazon	Community stakeholder	Attendee
Laurie	Lippold	Partners for Our Children	Community stakeholder	Attendee
Sarah	Schnierer	Momazonians, an employee parenting group at Amazon	Community stakeholder	Attendee
Nichole	Sohn	Journey Discovery Center	Community stakeholder	Attendee
Anna	Stein	Amazon; Seattle Nanny Network	Community stakeholder	Attendee

## Appendix B: Recommendation Development and Voting

The task force met eight times between July 2018 and October 2019. The first four meetings provided foundational information about child care systems, challenges, opportunities and best practices. As directed by legislation, the task force evaluated current available data, best practices for employer-supported child care, and research related to the economic and workforce impacts of employee access to high quality, affordable child care.

From November 2018 through March 2019, task force members formed action teams to identify options, set goals and develop recommendations in four areas: accessibility, affordability, employer-supported child care, and child care industry and workforce support. Figure 5 shows action team membership and focus areas.

**Figure 5: Task Force Action Teams**

Accessibility	<p>How can we increase accessibility and services where supply doesn't meet demand – geographically, infant care, back-up care, etc.?</p> <hr/> <p><i>Members: Bethany Larsen, David Beard, Dru Garson, Janelle Johnson, Justin Leighton, Nikki Torres, RaShelle Davis, Rep. Bob McCaslin, Tracie Kenney</i></p>
Affordability	<p>How can we improve the “broken market” of child care by ensuring this critical social need is both affordable for parents and economically viable for providers and their employees?</p> <hr/> <p><i>Members: Amy Anderson, Babette Roberts, Faith Trimble, Jessyn Farrell, Lois Martin, Luc Jasmin, Maria Laura Perez, Mary Curry, Michael Cade, Ruth Kagi, Sen. Karen Keiser</i></p>
Employer-Supported Child Care	<p>How can we encourage and incentivize employers to support their employees' child care needs?</p> <hr/> <p><i>Members: Adie Simmons, Allison Krutsinger, Cheryl Smith, John Swartz, Kristine Rompa, Michele Beeler, Neil Strege, Rep. Kristine Reeves</i></p>
Child Care Industry and Workforce Support	<p>How do we overcome barriers to prospering in the range of child care business models? How can we help assure a sustainable, high quality workforce?</p> <hr/> <p><i>Members: Caitlyn Bridenstine, Erin Haick, Ginger Still, Mary Ellen O'Keeffe, Meg Lindsay, Michael Koetje, Ryan Pricco, Sen. Joe Fain, Timothy Gates</i></p>

To better understand the effects of child care access on workforce participation and our economy, task force member organizations Association of Washington Business, Child Care Aware of Washington, Children's Alliance and Department of Commerce as well as the U.S. Chamber of Commerce Foundation jointly contributed resources to a statewide survey and economic impact analysis.

The partnership developed a questionnaire adapted from those used recently in the states of Georgia, Maryland and Louisiana. In March 2019, Elway Research collected a representative sample of 400 Washington parents of children younger than age 6. Eastern Washington University's Institute for Public Policy and Economic Analysis used the survey results to calculate impacts to Washington's workforce, employers and economy due to employee turnover, missed work and opportunity costs. See findings in the “Mounting Costs” report and Eastern Washington University's economic impact analysis in Attachments 1 and 2.

From May through August 2019, the task force developed a collective vision, goals and policy recommendations based on action team findings and analysis. Table 3 summarizes task force meeting topics and activities.

**Table 3: Task Force Meeting Dates, Presentations, and Topics**

Date	Presentations/Topics
<b>10 a.m.-4 p.m. July 10, 2018</b>	<p><b>Topics:</b> Current state of child care; initial view: challenges and opportunities</p> <p><b>Presenters:</b> Karen Hart, SEIU 925; Amy Anderson, Association of Washington Business; Erica Hallock, Fight Crime Invest in Kids; Frank Ordway, DCYF; Ryan Pricco, Child Care Aware of Washington</p> <p><b>Tour:</b> Federal Way child care center</p>
<b>10 a.m.-4 p.m. Oct. 2, 2018</b>	<p><b>Topics:</b> Child care system overview; providers panel</p> <p><b>Presenters:</b> Genevieve Stokes, DCYF; Liliya Aukhimovich and Alice King, family home providers; Mary Curry, Pathways Enrichment Academy; Kim Sheridan, Fautleroy Child Care Center; Nicole Sohn, Journey Discovery Center</p>
<b>10 a.m.-4 p.m. Nov. 28, 2018</b>	<p><b>Topic:</b> Overview of Washington child care and early learning funding</p> <p><b>Presenters:</b> Paul Knox, Department of Commerce; Ruth Kagi, Washington Legislature</p> <p><b>Action Teams:</b> Teams formed; goals and objectives drafted; outlining of key issues and possible recommendations started</p>
<b>10 a.m.-4 p.m. Jan. 22, 2019</b>	<p><b>Topics:</b> Child care impacts on business and future workforce; how business can be involved; child care best practices; market rate study and compensation study</p> <p><b>Presenters:</b> Katharine Stevens, American Enterprise Institute, author of US Chamber 2017 child care report; Linda Smith, Bipartisan Policy Center, Washington, D.C.; Angela Abrams, DCYF</p> <p><b>Action Teams:</b> Continued development of draft recommendations</p>
<b>10 a.m.-4 p.m. March 15, 2019</b>	<p><b>Action Teams:</b> Refined and shared goals and top three recommendations with full task force</p>
<b>10 a.m.-4 p.m. May 14, 2019</b>	<p><b>Task Force:</b> Reviewed and refined vision, goals and policy recommendations</p>
<b>10 a.m.-4 p.m. June 13, 2019</b>	<p><b>Task Force:</b> Further refined and finalized vision and goals and reviewed and refined policy recommendations</p>
<b>July 24, 2019– Aug. 2, 2019</b>	<p><b>Recommendation Development Webinars:</b> Employer-supported care and tax incentives; streamlining permitting and licensing of child care facilities; reducing disparities and disproportionalities in child care access; supporting the child care workforce, providers and industry</p>
<b>10 a.m.-4 p.m. Aug. 12, 2019</b>	<p><b>Task Force:</b> Discussion and final vote on recommendations</p>

## Approach to decisionmaking

The task force engaged in open dialog and made decisions by consensus while developing draft vision, goals, strategies and policy recommendations. The task force used informal polls to identify levels of agreement. Staff convened webinar discussions to gather task force and stakeholder feedback regarding goal and recommendation language.

In August 2019, the task force used a multistep voting process to approve the recommendations in this report. First, all nonvoting task force members and attendees took an advisory vote to indicate their positions on whether slates of recommendations should pass — “yes,” “no” or “abstain.” After the advisory vote, task force voting members asked questions of the advisors. Voting members inquired about why advisors voted as they did and how issues might be resolved by amending the recommendations. Next, the task force voting members present voted “yes,” “no” or “abstain” to pass the slates of recommendations organized by goal area. All slates passed with a majority voting “yes.”

After initial passage of the slates of goals, task force members proposed and considered amendments. Each amendment received an advisory vote followed by a final vote, with a simple majority determining final passage. Many amendments passed unanimously. Table 4 below summarizes the voting results for each slate of recommendations before the task force made amendments.

**Table 4: Aug. 12, 2019, Recommendation Voting Results by Goal Area**

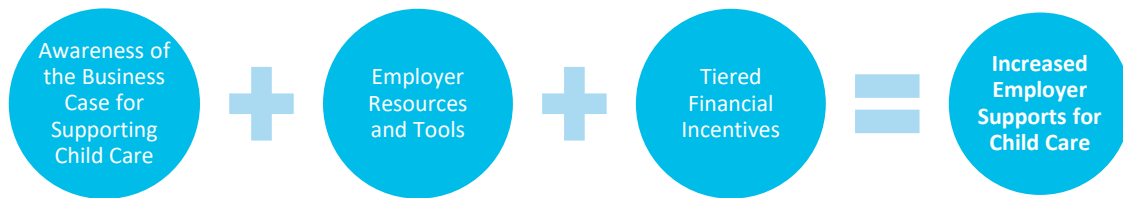
<b>Recommendation Voting Results by Goal Area</b>	<b>Round</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Stabilize, Support and Sustain the Child Care Workforce, Providers and Industry (9 recommendations)	Advisory Vote	18	1	1
	Final Vote	8	0	0
Increase Employer Support of Child Care (6 recommendations)	Advisory Vote	15	3	3
	Final Vote	6	1	1
Streamline Licensing and Permitting of Child Care Facilities (5 recommendations)	Advisory Vote	18	1	1
	Final Vote	7	0	0
Reduce Disparities and Disproportionalities in Child Care Service Delivery and Access (10 recommendations)	Advisory Vote	19	1	0
	Final Vote	6	1	0



## Appendix C: Recommendations at a Glance

The Child Care Collaborative Task Force recommends the following:

- A. Washington state should **promote, incentivize and recognize employer-supported child care** so public and private employers invest in family-friendly employment policies and practices, such as infants-at-work policies, flexible schedules, dependent care assistance program benefits, onsite child care, contracted child care, and backup child care. Sharing the business case, tools and tiered tax incentives would enable more employers to support their employees' access to child care.



- B. State, local and nonprofit agencies should collaborate to provide technical assistance and licensing pre-approval processes, limit fees, and continuously review and improve licensing standards to **streamline permitting, licensing and development of child care facilities**.



- C. The state should work to **stabilize, support and sustain the child care workforce, providers and industry** through competitive compensation; benefits; access to substitutes; professional and career development supports; positive working relationships among licensors, regulators and providers; supports to start up and expand child care programs; access to grants, loans, the Early Learning Facility Fund and other business capital resources; and supports for diverse, equitable and inclusive settings. Supporting the child care workforce and providers would increase stability and economic health of the child care industry.



- D. The state should work to **reduce racial, ethnic and geographic disparities and disproportionalities** in child care service delivery and accessibility to services for families through a graduated state subsidy copay structure; increased eligibility for subsidies; provider subsidy rate payments that cover the full cost of high-quality care; incentives and support to provision nonstandard-hour care and care in underserved and rural areas; trauma-informed, culturally responsive and bias-reducing practices; and resources and assistance in multiple languages so families could effectively navigate and access programs.



## Appendix D: List of Recommendations

### Goal A: Stabilize, Support, and Sustain the Child Care Workforce, Providers, and Industry

- Rec. A1.** Support compensating the child care workforce competitively with educators in the state's education continuum in order to provide living wages, reduce turnover, and promote longevity of skilled providers in the child care workforce.
- Rec. A2.** Ensure child care staff can access employment benefits and develop other strategies to prevent workforce burnout and support the wellbeing of child care staff. This could include access to health insurance, dental insurance, paid leave, and retirement benefits.
- Rec. A3.** Develop a network of local substitute pools across the state to allow child care staff and providers time off to attend training, personal or vacation time, and recover from illness.
- Rec. A4.** Support professional development of the current and future workforce:
- Create a system to show competency through credential- and experience-based equivalencies.
  - Develop alternative ways to receive professional development, such as online learning.
  - Incentivize higher education attainment and career pathways via scholarships and loan repayments programs.
  - Use multiple languages and platforms for all aspects of professional development.
- Rec. A5.** Foster a culture of support and mutual respect between child care licensors, regulators and providers:
- Establish consultative practices and service standards.
  - Enact a third-party evaluation of the regulatory environment, engaging both licensing staff and providers to inform collaboration and continuous improvement.
  - Compile data to better track provider closures. Conduct learning interviews with providers leaving the industry or Early Achievers system to better understand exit reasons.
  - Create and maintain a clear, shared guidebook for both licensors and providers, outlining in plain language all licensing standards and expectations.
- Rec. A6.** Support child care provider startup and expansion:
- Offer technical assistance for business startup, operation and growth.
  - Implement statewide, shared services programs and cooperatives for provider business needs (financial management, human resources, purchasing, etc.).
  - Create and maintain a "best practices" guidebook for providers, supporting quality business and management operations.
- Rec. A7.** Increase access to grants, loans and other funding sources to offset child care operating and capital facility costs, including but not limited to the Early Learning Facility Fund, small grants and microloans.
- Rec. A8.** Support development of child care facilities:
- Continue to invest in the Early Learning Facilities Fund.
  - Offer retail sales and use tax exemptions.

- Streamline facility permitting and licensing.
- Focus on rural and underserved areas.

**Rec. A9.** Provide state funds to leverage public-private partnerships with community development financial institutions (CDFIs) to develop child care financing options, such as loan programs.

**Rec. A10.** Promote diverse and inclusive child care settings so children have equitable opportunities for learning that help them achieve their full potential as engaged learners:

- Develop the capacity of neighborhoods and communities to meet local child care needs in a variety of settings.
- Support and enable child care programs to:
  - Implement trauma-informed, culturally responsive and bias-reducing practices, including providing opportunities for education on implicit and explicit bias and other types of cultural competency-focused training.
  - Recruit and retain educators and leaders who reflect the diversity of served families (race, ethnicity, gender and home language) and exhibit a commitment to improving their practice.
- Ensure, to the extent possible, that any formal assessment tools are designed and validated for use with the children being assessed, considering age, culture, language, social and economic status, and abilities and disabilities.

## **Goal B: Increase Employer Support of Child Care**

**Rec. B1.** Educate employers on the business case for supporting child care and reducing barriers to participation in employer-supported child care programs. Demonstrate the case with data.

**Rec. B2.** Develop and promote an informational web-based menu of options for employers to support employee provision of child care, such as available options, how to evaluate and access them, and available recognition or incentive programs. Examples of the menu of options could include connecting employers with resources regarding:

- Implementing “bring your infant to work” and other family-friendly model policies
- Allowing for parent choice among child care options
- Providing backup child care
- Providing onsite child care
- Contracting with nearby child care programs
- Accessing federal, state, and local tax incentives
- Offering the Dependent Care Assistance Program
- Participating in voluntary programs recognizing family-, child-, and breastfeeding-friendly workplaces

**Rec. B3.** Implement a tiered business tax incentive program to match business expenditures for provision of employee child care, including but not limited to the following expenditures:

- Contributions to child care savings accounts
- Child care vouchers or tuition payments
- Provision of external child care and back-up care
- Provision of onsite child care
- Start-up costs

- Rec. B4.** Provide a retail sales (and use) tax exemption or deferral for construction, renovation, and remodeling of child care facilities.
- Rec. B5.** Provide a point-of-sale, sales (and use) tax exemption on consumables used in providing child care.
- Rec. B6.** Pilot within state government a model “bring your infant to work” policy to demonstrate how other employers could scale and implement the model policy. Include alternative infant care options and other family-friendly policies for workplaces and jobs unable to consider hosting infants given workplace conditions.

**Goal C: Streamline Permitting and Licensing to Support the Construction, Renovation, and Acquisition of Child Care Facilities**

- Rec. C1.** Invest in technical assistance for construction or renovation of child care facilities to ensure timely and efficient startup and expansion:
- Scale up the child care facilities technical assistance provision funded in 2019. Target provision in areas with most significant child care access challenges. Ensure the state has capacity to provide or contract with subject matter experts.
  - Create a guidebook or other tools for prospective providers, detailing the steps to meet permitting, licensing and other specification requirements.
- Rec. C2.** Streamline licensing during child care facility development:
- Scale up the licensing pre-approval process to all new child care construction and renovation projects.
  - Coordinate local and state agencies such as DCYF, State Fire Marshal and State Building Code Council to assess and streamline licensing processes.
- Rec. C3.** Partner with appropriate entities and jurisdictions to limit or eliminate local construction impact fees for child care facilities.
- Rec. C4.** Evaluate child care licensing standards and their impact on the development and maintenance of child care facilities. Initiate collaborative continuous improvement processes for licensing standard implementation and monitoring.
- Rec. C5.** Simplify and streamline licensing process for change of ownership of existing child care programs.

**Goal D: Reduce Disparities and Disproportionalities in Child Care Service Delivery and Access**

- Rec. D1.** Create a graduated co-pay structure that eliminates the “cliff effect” for all state-administered child care subsidies.
- Rec. D2.** Increase eligibility for state-administered child care subsidies to support more low- and middle-income families.
- Rec. D3.** Prioritize increasing affordability of child care for families disproportionately affected by barriers and furthest from opportunity.

- Rec. D4.** Enable child care providers to care for children eligible for state child care subsidies by adjusting provider subsidy rate payments to cover the full cost associated with providing high-quality child care.
- Rec. D5.** Support and enable child care and related programs to implement trauma-informed, culturally responsive, and bias-reducing practices, including providing opportunities for education on implicit and explicit bias and other types of cultural competency-focused training.
- Rec. D6.** Incentivize provision of nonstandard-hour child care, including evening, weekend, and overnight care, to increase access to child care for those who work or attend school during nonstandard hours.
- Rec. D7.** Incentivize provision of child care in the child’s home language, and support dual language learning.
- Rec. D8.** Offer information in multiple languages to reduce language barriers in seeking and accessing child care.
- Rec. D9.** Enable families to navigate and access child care and related programs through informational resources, technical assistance, outreach and other supports.
- Rec. D10.** Support provision of child care in underserved geographic areas and rural areas so families may access child care in their local communities.

## Appendix E: About the Task Force



**CHILD CARE COLLABORATIVE TASK FORCE** – *Substitute House Bill 2367 (2018), Second Substitute House Bill 1344 (2019)*

The Child Care Collaborative Task Force (C3TF) was created by the Washington State Legislature in 2018 ([SHB 2367](#)) to develop policy recommendations to incentivize employer-supported child care and improve child care access and affordability for employees. The task force was extended in 2019 with the passage of [2SHB 1344](#). The Governor-appointed C3TF includes child care providers and advocates, child care workforce development and labor groups, business associations and employers, state agencies and legislators. The task force will report findings and recommendations to the Legislature in November 2019, July 2020, and December 2020, culminating in a June 2021 implementation plan to achieve accessible, affordable child care for all Washington families by 2025.

### 2019-2021 TASK FORCE PRODUCTS

- Regional child care industry assessment
- State executive branch employee child care access survey
- Child care and early learning facility needs assessment
- Child care cost estimate model to determine the full costs of providing high quality child care
- Early childhood educator compensation recommendations
- Deliver to the Governor and Legislature a strategy, timeline, and implementation plan to reach the goal of accessible, affordable child care for all families by 2025

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## Appendix F: Acronyms and Definitions

2SHB	Second Substitute House Bill
B&O	Business and occupation
CCFF	Child Care Facility Fund
CDFI	Community development financial institution
Child Care	Regularly scheduled care for a group of children ages birth through 12 years for periods of less than 24 hours, consistent with the definition of “early learning program” in WAC 110-300-0005
Cliff Effect	Sudden loss of child care subsidy due to rising income
DCYF	Department of Children, Youth and Families
Early Learning Program	Regularly scheduled care for a group of children ages birth through 12 years for periods of less than 24 hours, consistent with the definition of “early learning program” in WAC 110-300-0005
ECE	Early childhood education
ECEAP	Early Childhood Education and Assistance Program
EHB	Engrossed House Bill
ELFF	Early Learning Facilities Fund
Equivalency	As defined by WAC 110-300-0005, “equivalency” when referring to staff qualifications means an individual is allowed to meet the requirements of Chapter 110-300 WAC through a DCYF-recognized alternative credential – or demonstration of competency – that indicates similar knowledge as the named credential
ESHB	Engrossed Substitute House Bill
HB	House Bill
Infant	A child birth through 11 months of age
JLARC	Joint Legislative Audit and Review Committee
NSH	Nonstandard hour
NSH Child Care	Child care provided outside the hours of 6 a.m. to 6 p.m. Monday through Friday
Parent	A child’s primary caregiver, including but not limited to a biological parent, adoptive parent, foster parent, kinship caregiver (such as grandparent), guardian or other person authorized to act in a parental capacity
Preschool-Age Child	A child 30 months through six years of age not attending kindergarten or elementary school



RCW	Revised Code of Washington
School-Age Child	A child not less than five years of age through 12 years of age who is attending kindergarten or elementary school
SHB	Substitute House Bill
Toddler	A child 12 months through 29 months of age
WAC	Washington Administrative Code
WaKIDS	Washington Kindergarten Inventory of Developing Skills
WCCC	Working Connections Child Care
WCRA	Washington Community Reinvestment Association

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## Appendix H: End Notes

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