State of Washington
Joint Legislative Audit & Review Committee (JLARC)

Department of Early Learning Review

Report 10-7

July 21, 2010

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JLARC's non-partisan staff auditors, under the direction of the Legislative Auditor, conduct performance audits, program evaluations, sunset reviews, and other analyses assigned by the Legislature and the Committee.

The statutory authority for JLARC, established in Chapter 44.28 RCW, requires the Legislative Auditor to ensure that JLARC studies are conducted in accordance with Generally Accepted Government Auditing Standards, as applicable to the scope of the audit. This study was conducted in accordance with those applicable standards. Those standards require auditors to plan and perform audits to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. The evidence obtained for this JLARC report provides a reasonable basis for the enclosed findings and conclusions, and any exceptions to the application of audit standards have been explicitly disclosed in the body of this report.

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Committee Approval

On June 16, 2010, this report was approved for distribution by the Joint Legislative Audit and Review Committee.

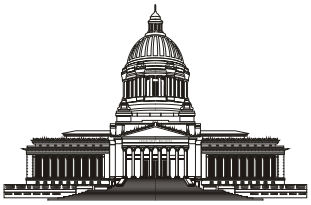
Acknowledgements

We appreciate the assistance provided by the Department of Early Learning headquarters and regional staff and many of the Department's partners in conducting this study.

Department of Early Learning Review

Report 10-7

June 16, 2010



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REPORT SUMMARY

In 2006, at the request of the Governor, the Legislature created a new agency focused on children: the Department of Early Learning (DEL) (2SHB 2964). The Legislature transferred existing services and programs to DEL and also directed the Department to undertake new early learning activities. In FY 2009, DEL had expenditures of $186.7 million (of which $84 million is used to pay for child care subsidies) and 206.4 FTEs. Broadly, DEL has responsibilities to:

- **Regulate settings where children receive care:**
  - ***Licensed Child Care*** **–** DEL licenses and monitors some 7,600 child care facilities (centers and family homes). This is the agency's largest program, employing 64 percent of DEL staff. These facilities have the capacity to care for more than 180,000 children. This responsibility transferred from the Department of Social and Health Services (DSHS).
  - ***Early Childhood Education and Assistance Program (ECEAP)*** **–** DEL monitors 40 ECEAP contractors that provide state-funded preschool education, family support, and health coordination to over 8,000 eligible three- and four- year olds in 268 sites. This program was transferred from the former Department of Community, Trade and Economic Development (CTED).
- **Work with partners to improve child care and early learning services –** DEL contracts with organizations to provide training and technical assistance to child care providers. DEL also works with partners on initiatives such as developing a quality rating system for early learning programs and designing a kindergarten readiness assessment process.
- **Work with other agencies on the state's child care subsidy program –** The state has a program of subsidized child care in which low-income families can receive child care while working or training for work. The state subsidy payment goes to the child care provider, and families make a co-payment to receive the care. DEL works with other agencies to establish eligibility requirements, the subsidy rates paid to the child care providers, and the monthly co-payment families must make. DSHS makes determinations about family eligibility and handles subsidy payments to the providers.

JLARC's Assignment Has Three Parts

The 2006 legislation creating the Department also mandated this performance audit by the Joint Legislative Audit and Review Committee (JLARC). The Legislature directed JLARC to address several topics that can be grouped into three parts:

Part One: DEL's performance in five specific areas.

Part Two: Program improvement and monitoring – This part focuses on the health and safety of children and contains JLARC's recommendations to improve DEL's management controls and monitoring.

Part Three: Affordability and availability of subsidized child care – This part reviews an area that is not the sole responsibility of DEL.

Part One – DEL's Performance in Five Specific Areas

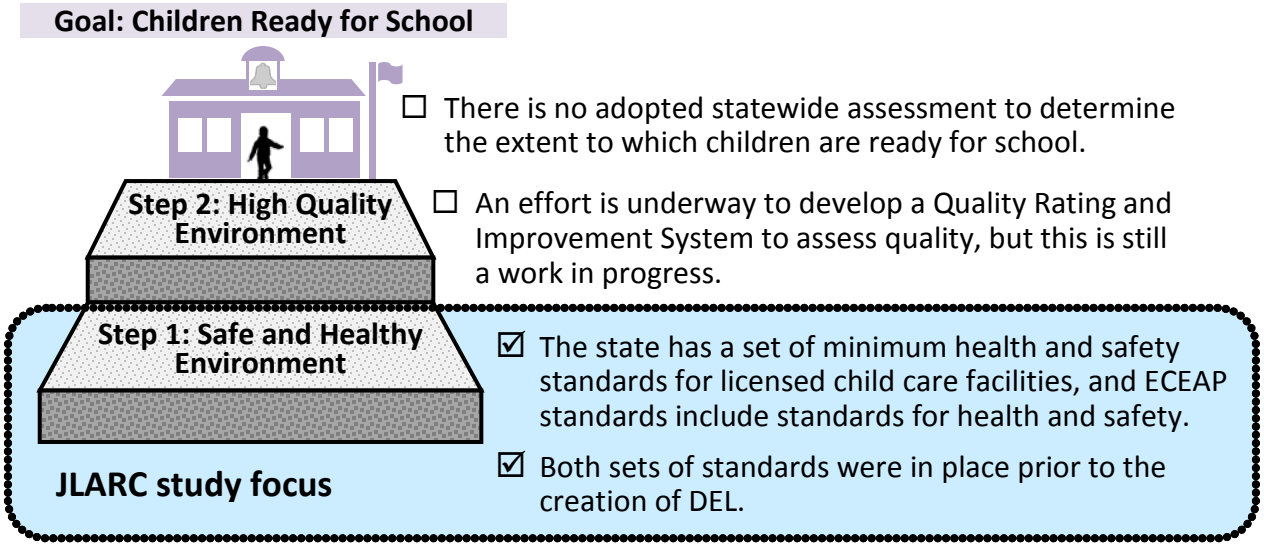
In accordance with the study mandate, JLARC reviewed DEL's performance in five areas. Overall, DEL has complied with specific requirements; however, there has not been substantial progress with the integration of programs. The following are brief conclusions for each of the areas reviewed:

- **Integration:** Administrative functions have been merged into one agency; however, the management of the programs remains separate and DEL has not taken advantage of opportunities to integrate the health and safety standards for licensed child care and ECEAP.
- **Administrative Efficiency:** The expenditures for administration in the new stand-alone agency are $8.5 million in FY 2009 vs. $1.8 million in FY 2006 before the transfers from three separate larger agencies. As a result, the administrative costs as percent of total expenditures increased from 1 percent in FY 2006 to 4.5 percent in FY 2009.
- **Parent Education and Outreach:** DEL provides parents with materials on the agency website and specific publications about school readiness and licensed child care.
- **Parent Participation:** DEL formed a parent advisory group in 2007 to provide parents an opportunity to participate in policy and program decisions. The advisory group meets regularly and the Department has used its input on different aspects of its work.
- **Nongovernmental Private-Public Partnership:** DEL works with Thrive by Five (private partner) on various initiatives. These initiatives are still in progress and their outcomes have not yet been demonstrated.

Part Two – Program Improvement and Monitoring – Focus on Health and Safety of Children

To what extent have child care and early learning services and programs improved since the creation of DEL? Based on a synthesis of research literature, Exhibit 1 shows two steps on a pathway towards school readiness, a key goal in early learning. The first step is a safe and healthy environment and the second step is a high quality environment.

Exhibit 1 – Evaluation Criteria along a Pathway to School Readiness



Results of Compliance with Health and Safety Standards

▶ *Licensed Child Care: Low Rates of Full Compliance with Minimum Health and Safety Standards*

Like its predecessor agency, DEL monitors the compliance of licensed child care facilities using a paper-based checklist. JLARC sampled checklists for timeframes before and after the creation of DEL and identified 17 health and safety standards that were consistent across the timeframes and for different types of child care facilities. Full compliance with all of these 17 required minimum health and safety standards was low for both timeframes: 9 percent of child care facilities were in full compliance before DEL; 13 percent after DEL. On average, facilities complied with 13 of 17 standards before DEL, and 14 of 17 standards after DEL was created.

▶ *ECEAP: No Comparable Monitoring Data Is Available*

While there are minimum health and safety standards for ECEAP, no monitoring data is available that would allow reporting on compliance at individual ECEAP sites.

▶ *Recommendations*

JLARC identified improvements that DEL needs to make in its management controls and monitoring of licensed child care facilities and ECEAP:

- **Consistency in Monitoring**

  DEL has retained two separate sets of minimum health and safety standards that were in place when ECEAP and the child care programs were at separate agencies. By adopting a common monitoring tool to assess compliance on a core set of standards, DEL has an opportunity to consistently monitor and assess compliance uniformly for the two settings DEL regulates.

  Recommendation 1

  DEL should adopt a common monitoring tool such as the checklist that includes a core set of required minimum health and safety standards to consistently assess compliance across ECEAP and child care facilities. This tool should be incorporated into DEL's existing ECEAP contract reporting requirements to provide assessments of individual sites.

- **Review of Monitoring Data**

  DEL stores the compliance checklists for individual child care facilities in paper form. The agency does not aggregate and analyze the data from the checklists to evaluate performance regionally or statewide.

  Recommendation 2

  DEL should regularly aggregate and analyze compliance data from the health and safety checklists.

- **Consistency in Monitoring Data**

  Coding on the current checklist allows scoring that is ambiguous with regard to a facility's compliance with particular standards.

  Recommendation 3

  DEL should adjust the health and safety checklist so that the coding unambiguously reflects compliance or noncompliance with each of the individual health and safety standards.

- **Consideration of Monitoring Data in Scheduling Visits**

  Currently DEL's scheduling of monitoring visits does not incorporate consideration of a facility's level of compliance. Research indicates that facilities that have a poorer record of compliance with standards should receive a greater focus of monitoring resources.

  Recommendation 4

  DEL should revise its policy for scheduling monitoring visits to take into account a facility's level of compliance with the health and safety standards.

- **Direction for Technical Assistance and Training**

  DEL makes available technical assistance and training that could help bring facilities up to full compliance or aid facilities in other ways. Currently DEL has no clear policy to guide which facilities should receive technical assistance or training or for what purpose.

  Recommendation 5

  DEL should establish a policy to provide guidance regarding which facilities should receive technical assistance and training and for what purposes.

- **Action to Alert DSHS of Possible Inappropriate Child Care Subsidy Payments**

  As part of its regular monitoring visit, DEL checks to see if a child care facility is maintaining its child attendance records. DEL does not uniformly notify DSHS when a DEL monitoring visit finds problems with a facility's maintenance of its attendance records. These are the same attendance records that are the basis for determining the child care subsidy payment that DSHS issues.

  Recommendation 6

  DEL should routinely notify DSHS when a DEL monitoring visit to a child care facility finds a lack of compliance with the maintenance of attendance records.

Part Three – Affordability and Availability of Subsidized Child Care

DEL works with other agencies to set subsidy policy, including: eligibility requirements, the rate of payments to providers, and the monthly co-pay that families must make.

Co-payments are affordable for 90 percent of the Washington families receiving subsidies based on a comparison to a federal benchmark. The answer is less clear for availability of subsidized child care. Availability varies based on a family's specific needs (for example, a facility may or may not offer care for infants), the region of the state, and other factors.

PART ONE – DEL'S PERFORMANCE IN FIVE SPECIFIC AREAS

In accordance with the study mandate, JLARC reviewed DEL's performance in five areas. Overall, DEL has complied with specific requirements; however, there has not been substantial progress with the integration of programs. The following are brief conclusion for each of the areas reviewed:

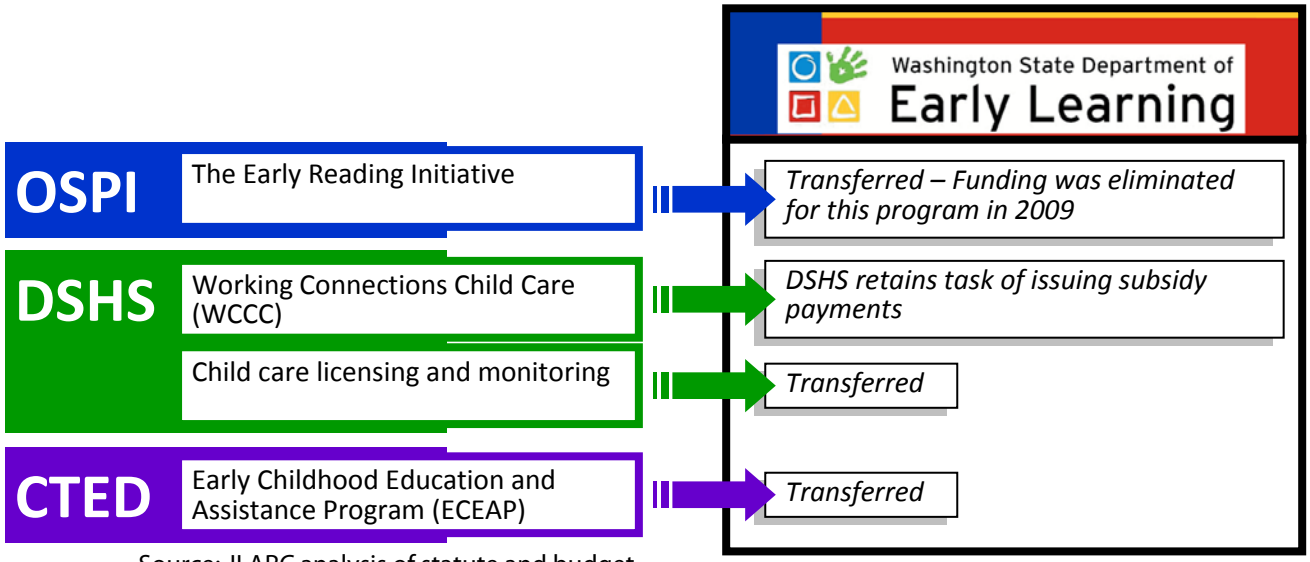
- **Integration:** Administrative functions have been merged into one agency, however the management of the programs remains separate and DEL has not taken advantage of opportunities to integrate the health and safety standards for licensed child care and ECEAP.
- **Administrative Efficiency:** The expenditures for administration in the new stand-alone agency are $8.5 million in FY 2009 vs. $1.8 million in FY 2006 before the transfers from three separate larger agencies. As a result, the administrative costs as percent of total expenditures increased from 1 percent in FY 2006 to 4.5 percent in FY 2009.
- **Parent Education and Outreach:** DEL provides parents with materials on the agency website and specific publications about school readiness and licensed child care.
- **Parent Participation:** DEL formed a parent advisory group in 2007 to provide parents an opportunity to participate in policy and program decisions. The advisory group meets regularly and the Department has used its input on different aspects of its work.
- **Nongovernmental Private-Public Partnership:** DEL works with Thrive by Five (private partner) on various initiatives. These initiatives are still in progress and their outcomes have not yet been demonstrated.

Part One provides detail on what JLARC found in the five specific areas summarized above.

Integration

Statute directs DEL to administer programs transferred from other agencies. Exhibit 2 shows the specific programs transferred to the Department.

Exhibit 2 – Three Agencies Transfer Programs into One Agency – DEL



Source: JLARC analysis of statute and budget.

Administrative functions have been merged into one agency; however, the management of the programs remains separate. The Department has central services to support these programs including contracts, budget, personnel, and information systems (licensing data is still kept in an information system outside DEL). Regarding the management of programs transferred, DEL has not taken advantage of opportunities to integrate its existing health and safety standards used for monitoring both licensed child care and ECEAP, which is discussed further in Part Two of the report. In 2010, the Legislature transferred the responsibility to administer an infant and toddler program previously administered by DSHS (SB 6593).

Administrative Efficiency

Statute provides that a primary duty of the Department is to administer programs and funding as efficiently as possible. DEL's most recent administrative expenditures exceed the administrative expenditures of the programs when they were part of larger agencies. In FY 2006, the administrative expenditures for programs and services transferred to the Department were $1.8 million. In FY 2009, DEL's administrative expenditures were $8.5 million, which covers transferred and new programs. As a result, the administrative costs as percent of total expenditures increased from 1 percent in FY 2006 to 4.5 percent in FY 2009.

Parent Education and Outreach

Statute directs the Department to make early learning resources available to parents and caregivers. DEL's website and various publications provide parents with outreach and educational resources. The website includes information about programs and services, links to other sites, and a searchable database of complaint histories for child care facilities known as Child Care Check. As noted in Exhibit 3, DEL's parent publications include information on school readiness and licensed child care. Several publications are available in English and several publications are available in Spanish. DEL also grants funding to organizations throughout the state to provide resources that are customized to local community needs.

Exhibit 3 – DEL's Publications for Parents

Parent Publications Developed by DEL	Publication Content	Publication Languages	Printing	Distribution
What Have You Done To Help a Child Today?	Ideas or activities designed to help children develop	English	50,000 printed	Sent to 18 local DEL licensing offices Distributed at events Available online
You Have a Choice! A Guide to Finding Quality Child Care (Brochure; Booklet)	Information to help families in finding licensed child care	English Spanish	50,000 printed in 2008 and 2009	Sent to 18 local DEL licensing offices Available online
An Introduction for Parents to the Washington State Early Learning and Development Benchmarks	Information on how to use the Benchmarks	English Spanish	30,000 printed	Distributed at conferences Sent to parents and caregivers upon request Available online
Kindergarten Readiness Tips for Washington Families	A kindergarten readiness checklist for families	English	None printed	Available online
Child Care License Suspension and Revocation: What Parents Should Know	Information about suspension or revocation in licensed child care facilities	English	7,600 printed	Sent to 18 local DEL licensing offices Available online
Seasonal Child Care Program Brochure	Information for seasonal agricultural workers about the Seasonal Child Care Program.	English Spanish	None Printed	Distributed to contractors Available online

Source: JLARC analysis of DEL publications and requested data.

Parent Participation

Statute provides that the Department include parents and legal guardians in the development of policies and program decisions affecting their children. DEL formed an advisory group made up of parents in 2007. DEL has sought participants for the group that have different backgrounds and experience with DEL's work. DEL has held broad discussions with this group to inform the Department on parent perspectives. DEL has also sought specific suggestions from the advisory group while developing programs and policy. The Department has used input from the advisory group on a variety of issues, including:

- DEL's Strategic Plan
- Quality Rating and Improvement System (QRIS)

- Child Care Check
- Child Care Development Fund Plan FFY 2009-2011
- Negotiated Rule Making for Family Home Child Care
- School-Age Rules (WAC) Rewrite

In addition, the Department conducted a statistically representative survey of parents at the request of the Legislature. DEL reports that the survey has provided the agency with information about the types of services and information used by parents in general and by parents in different subpopulations. However, the survey did not provide information from parents specifically participating in the programs that DEL administers.

Nongovernmental Private-Public Partnership

Statute requires the Department to participate in a nongovernmental private-public partnership. DEL has satisfied that requirement by working with Thrive by Five, a private organization also created in 2006. According to statute, the focus for the private-public partnership is to support the state's investments in early learning and to ensure that "every child in the state is prepared to succeed in school and in life." DEL has worked on various initiatives with Thrive by Five related to this focus. DEL, Thrive by Five, and the Office of Superintendant of Public Instruction (OSPI) have signed a joint resolution that outlines priorities and goals, assigns lead responsibilities, and identifies key actions necessary to meet the goals. Exhibit 4 provides information about some of the initiatives.

Exhibit 4 – Partnership Initiatives Around Quality, School Readiness, and an Early Learning Plan

Partnership Initiatives	How is DEL Working with Thrive by Five?	What Are Planned Next Steps?
Voluntary Quality Rating and Improvement System	DEL contracts with Thrive by Five to pilot a proposed voluntary QRIS known as "Seeds to Success" in five communities across the state.	DEL and Thrive by Five have plans for a second pilot year to develop a voluntary QRIS.
Kindergarten readiness assessment	DEL has worked with Thrive by Five to secure funding to design and implement a kindergarten readiness assessment process pilot.	DEL plans to start piloting the readiness assessment process known as "WA Kids" beginning fall 2010
Statewide Early Learning Plan	In December 2009, DEL and Thrive by Five with the Office of Superintendent of Public Instruction (OSPI), submitted to the Governor early learning recommendations for the 2010 Legislative Session and a draft version of statewide plan.	DEL, Thrive by Five, and OSPI expect to finalize the plan in June 2010.

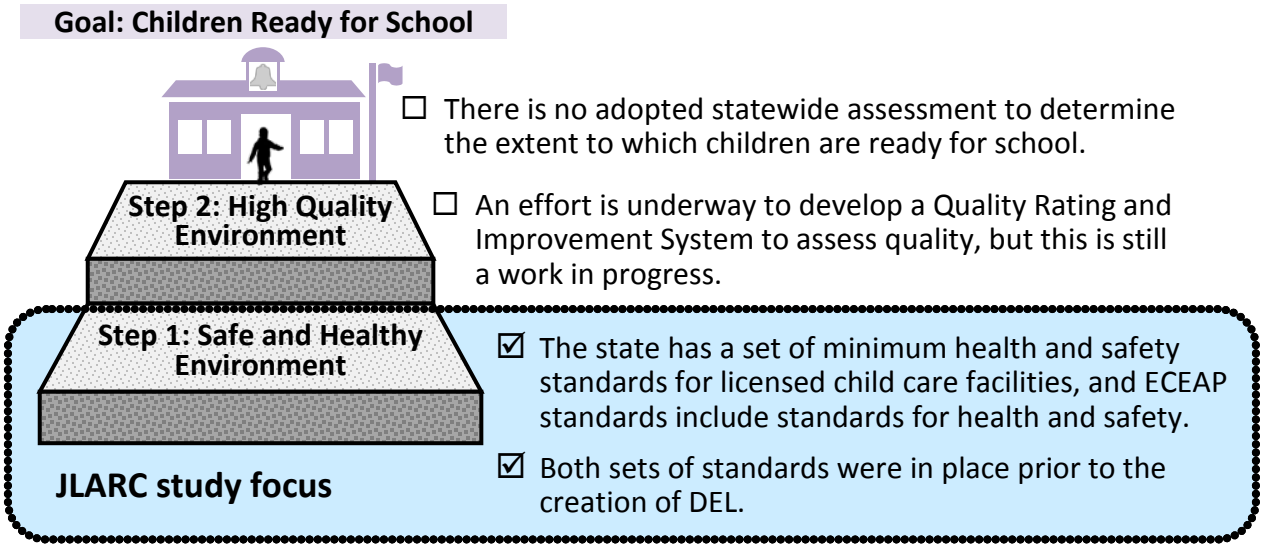
Source: JLARC summary of select partnership updates.

In 2010, the Legislature directed DEL to contract with the private partner to administer home visiting services through a newly created account that is designed to hold state and private funds.

PART TWO – PROGRAM IMPROVEMENT AND MONITORING

The Legislature wanted to know the extent to which child care and early learning services and programs have improved since the creation of DEL. JLARC began its analysis by looking for criteria to make such an evaluation. Based on a synthesis of research literature, Exhibit 5 shows two steps on a pathway towards the goal school readiness, a key goal in early learning. The first step is a safe and healthy environment and the second step is a high quality environment.

Exhibit 5 – Evaluation Criteria along a Pathway to School Readiness



Evaluation Criteria Are Not Yet Available to Assess Early Learning Quality and School Readiness

As is shown on the exhibit, there is no adopted statewide assessment to determine the extent to which children are ready for school. The step before reaching the goal of school readiness on this pathway is a high quality environment. The Legislature has directed DEL to implement a voluntary quality rating and improvement system to provide parents clear and easily accessible information about the quality of child care and early education programs. While work is underway to develop standards to assess a high quality environment, these standards have not yet been completed.

Evaluation Criteria <u>Are</u> Available to Assess a Safe and Healthy Environment for Children

As Exhibit 5 shows, evaluation criteria are available for the foundational first step on the pathway to school readiness. The criteria are in the form of minimum health and safety standards for the two settings that DEL regulates. These standards are in place to ensure the health and safety for more than 180,000 children that child care facilities have the capacity to provide and more than 8,000 children in ECEAP, DEL's two largest programs. This first step is the focus of JLARC's analysis. Because the standards for child care and the standards for ECEAP were in place prior to the creation of DEL, JLARC sought to answer the Legislature's question about improvements since the creation of the agency.

Results from JLARC's Review of Monitoring Data on Compliance with Health and Safety Standards

Licensed Child Care: Low Rates of Full Compliance with Minimum Health and Safety Standards

DEL licenses and monitors over 7,600 child care facilities based on a set of minimum health and safety standards. Licensed child care facilities include: family homes which provide care for 12 or fewer children; and child care centers which are licensed to provide care for more than 12 children, sometimes into the hundreds (this includes school-age facilities). Family homes account for approximately 70 percent of all child care facilities. However, centers provide care for about 75 percent of all children in care. These facilities have the capacity to care for more than 180,000 children.

Like its predecessor agency, DEL monitors the compliance of licensed child care facilities using a paper checklist. JLARC sampled checklists for facilities in timeframes before (2005) and after the creation of DEL (2008) (see Appendix 3 for sample methodology). JLARC collected a statistically representative sample of checklists for over 500 facilities in each timeframe. About three-fourths of these facilities were monitored in both timeframes. From these checklists, JLARC identified 17 health and safety standards that were consistent across the timeframes and for different types of child care facilities.

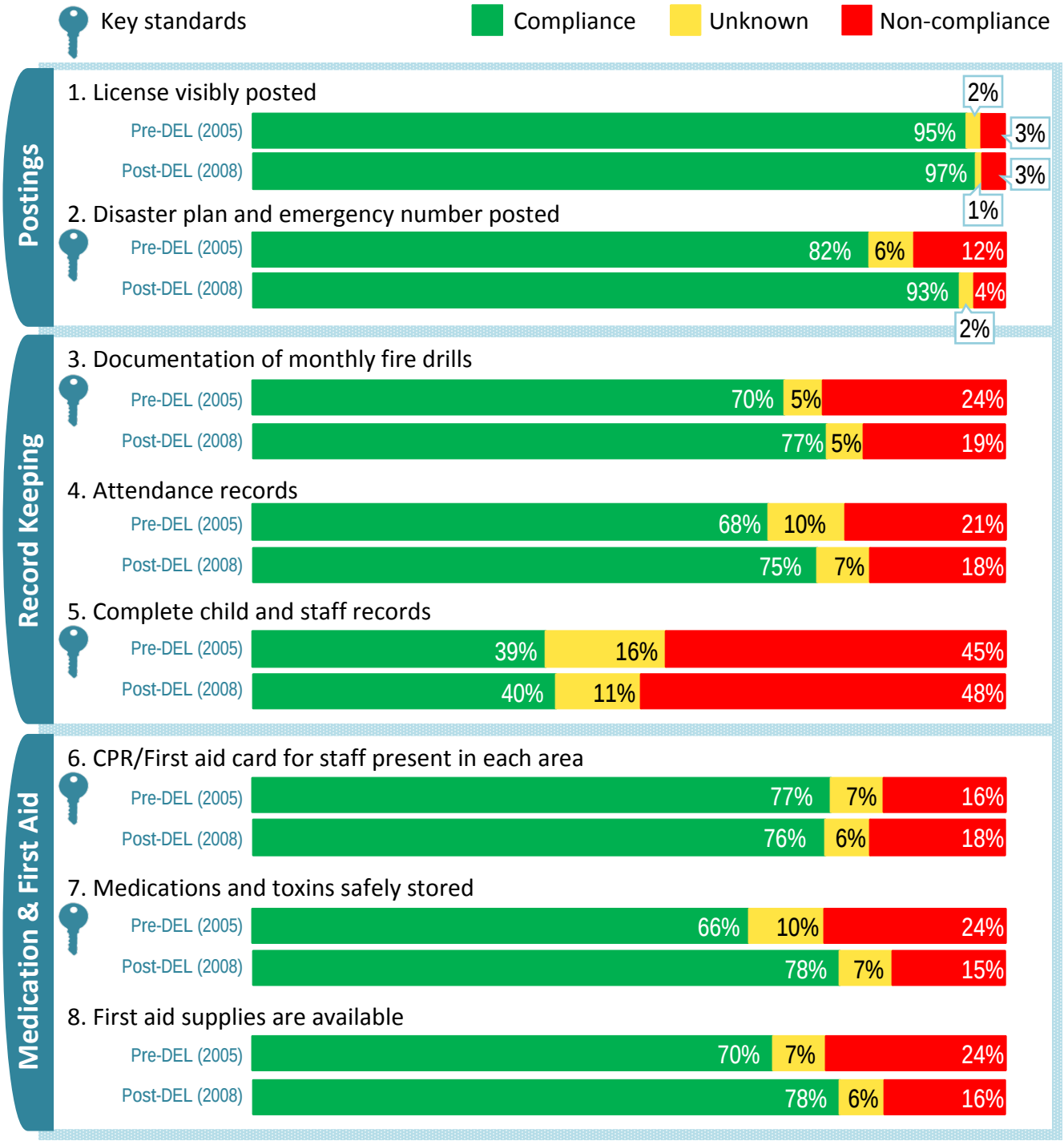
Since the facilities should comply with required minimum health and safety standards, we looked at the extent to which facilities fully complied (i.e., were compliant with all 17 required standards). Full compliance with all 17 required minimum health and safety standards was low for both timeframes: 9 percent of facilities in full compliance before DEL; 13 percent after DEL.

Since facilities complied with different numbers of standards, JLARC looked at the average number of standards with which facilities complied. Average compliance was similar for both timeframes: facilities complied with an average of 13 standards before DEL; an average of 14 standards after DEL. There was not a significant difference in compliance between child care centers and family homes.

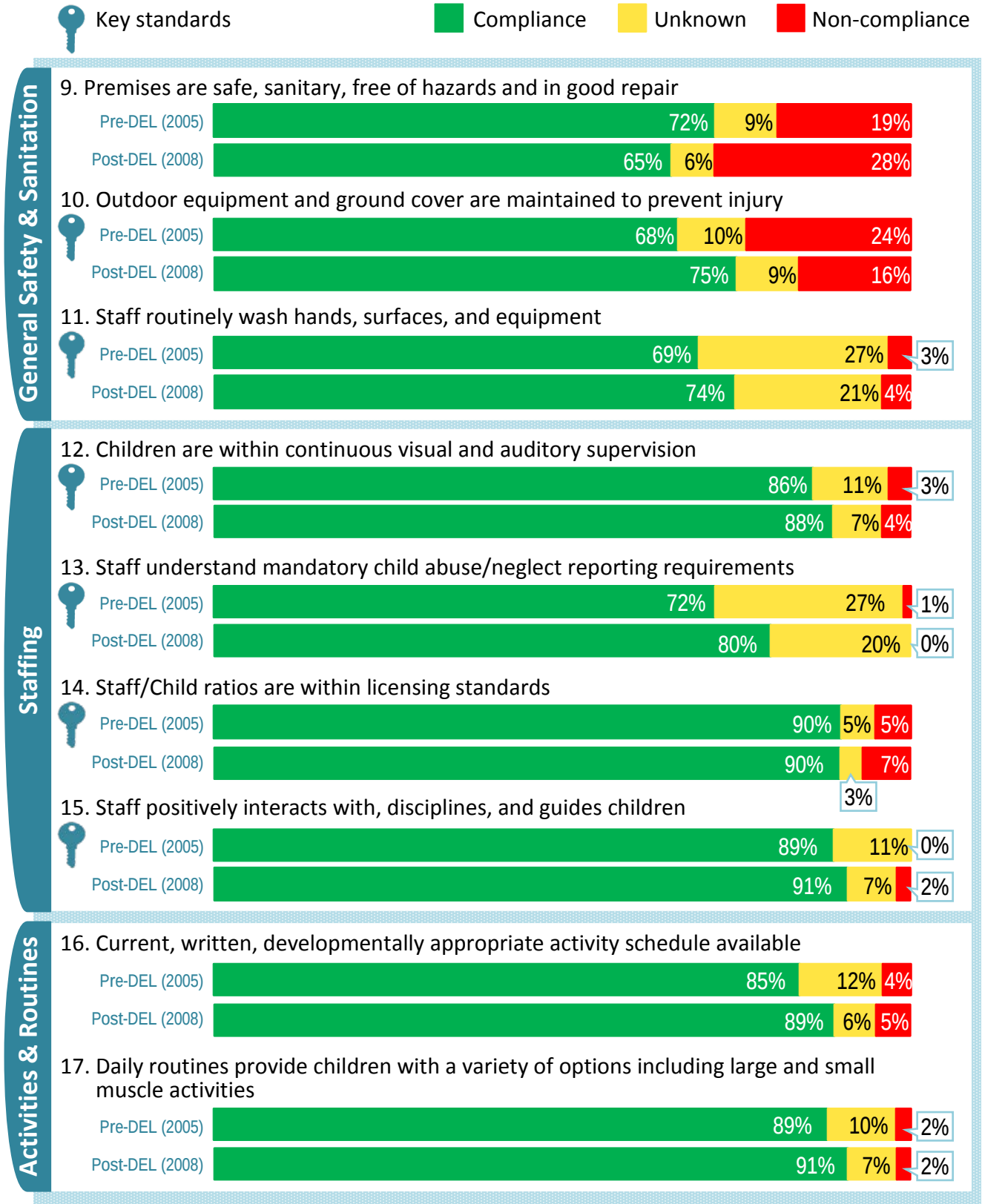
For each of the 17 standards, Exhibit 6 on the following pages provides the pre- and post- DEL percentages of facilities that were in Compliance (green) and Non-compliance (red) with standards. The exhibit also shows the percentage of instances where JLARC categorized results from the checklist as 'Unknown' (yellow) because reports were unclear. These instances included missing data, conflicting reports of Compliance and Non-compliance, and coding such as "Discussed" and/or "Observed."

The icon of a key appears on some of the standards in the exhibit. The key icon signifies that there is research associating these standards with improved outcomes for children. JLARC looked at the extent to which facilities complied with these key standards. Overall compliance on the key standards was not different than other standards.

Exhibit 6 – Pre- and Post-DEL Compliance with Required Minimum Health and Safety Standards



Note: Sum of percents may differ slightly from totals due to rounding.



Note: Sum of percents may differ slightly from totals due to rounding.

Source: JLARC analysis of DEL licensing data.

No Comparable Monitoring Data Available for Individual ECEAP Sites

While there are minimum health and safety standards for ECEAP, no monitoring data is available that would allow reporting on compliance at individual ECEAP sites. Generally, DEL's monitoring process for ECEAP is focused on contractors. These contractors are responsible for ensuring the individual sites they coordinate follow program standards that include minimum health and safety standards. DEL's required reports from contractors are focused on the extent to which contractors, not individual sites, are in compliance.

Recommendations to Improve DEL's Management Controls and Monitoring to Help Ensure a Safe and Healthy Environment for Children

In the course of our review, JLARC identified improvements that DEL needs to make in its management controls and monitoring of licensed child care facilities and ECEAP sites:

Consistency in Monitoring

DEL has retained two separate sets of minimum health and safety standards that were in place when ECEAP and child care programs were at separate agencies. The health and safety standards for ECEAP sites are similar – but not identical – to the minimum standards for child care facilities. By adopting a common monitoring tool to assess compliance on a core set of standards, DEL has an opportunity to consistently monitor and assess compliance uniformly for the two settings DEL regulates.

Recommendation 1

DEL should adopt a common monitoring tool such as the checklist that includes a core set of required minimum health and safety standards to consistently assess compliance across ECEAP and child care facilities. This tool should be incorporated into DEL's existing ECEAP contract reporting requirements to provide assessments of individual sites.

Legislation Required:	None
Fiscal Impact:	JLARC assumes that this can be completed within existing resources.
Implementation Date:	June 2011

Review of Monitoring Data

JLARC's sample of checklists provides the only statewide view of performance of child care facilities in complying with required minimum health and safety standards. JLARC had to sample the checklists because no aggregate data on compliance was available; DEL does not aggregate the results from the paper checklist for monitoring visits stored in local offices. However, DEL has the opportunity to regularly evaluate the performance of facilities in complying with standards by looking at data from the checklists it already collects.

Recommendation 2

DEL should regularly aggregate and analyze compliance data from the health and safety checklists.

Legislation Required:	None
Fiscal Impact:	JLARC assumes that this can be completed within existing resources.
Implementation Date:	June 2011

Consistency in Monitoring Data

A purpose for the checklist is to report the extent to which a facility is in compliance with required minimum health and safety standards. However, the checklist contains coding that does not make this clear. JLARC categorized coding that was ambiguous on the checklist as 'Unknown.' This included coding such as "discussed" and/or "observed." Exhibit 6 (pages 11-12) shows in the yellow bars, the extent to which reports of compliance for each of the standards were ambiguous.

Recommendation 3

DEL should adjust the health and safety checklist so that the coding unambiguously reflects compliance or noncompliance with each of the health and safety standards.

Legislation Required:	None
Fiscal Impact:	JLARC assumes that this can be completed within existing resources.
Implementation Date:	June 2011

Consideration of Monitoring Data in Scheduling Visits

It is DEL's policy to conduct a monitoring visit of child care centers at least once a year, and family homes at least every year and a half. DEL's scheduling of monitoring visits does not incorporate consideration of a facility's previous compliance with health and safety standards as reported in monitoring data from the checklists. Reports reviewing child care licensing in Washington suggest that improvements in compliance can occur by monitoring more frequently. In 2007, DEL commissioned a workload study. A conclusion from that analysis was that DEL could make "more efficient use of staff for monitoring by changing the focus to concentrate on low-compliance licensees."

Recommendation 4

DEL should revise its policy for scheduling monitoring visits to take into account a facility's level of compliance with the health and safety standards.

Legislation Required:	None
Fiscal Impact:	JLARC assumes that this can be completed within existing resources.
Implementation Date:	June 2011

Direction for Technical Assistance and Training

DEL contracts to provide technical assistance that could help bring facilities up to full compliance or aid facilities in other ways. Facilities wanting technical assistance can refer themselves or be referred by DEL staff. DEL does not have a policy to direct resources to facilities most in need. Consequently, of the facilities that receive technical assistance, 90 percent refer themselves and 10 percent are referred by DEL staff.

DEL also contracts with organizations to provide training. DEL and others are currently developing a statewide plan to direct work in training early learning providers, but this is not yet completed.

Recommendation 5

DEL should establish policy to provide guidance on which facilities should receive technical assistance and training and for what purpose.

Legislation Required:	None
Fiscal Impact:	JLARC assumes that this can be completed within existing resources.
Implementation Date:	June 2011

Action to Alert DSHS of Possible Inappropriate Child Care Subsidy Payments

DEL's health and safety standards include a requirement for a child care facility to maintain its child attendance records. While DEL's focus in compliance with this minimum standard is related to health and safety issues, the state also requires that facilities receiving subsidies maintain attendance records to verify the subsidy payment that DSHS issues. Exhibit 6 (pages 11-12) shows the rate of compliance and noncompliance of facilities on each of the 17 standards. For the attendance records standard, JLARC identified a noncompliance rate of 18 percent. Currently DEL has no formal policy to notify DSHS when a DEL monitoring visit finds problems with a facility's maintenance of its attendance records. JLARC also notes that the State Auditor's Office recently found that DEL and DSHS do not have adequate controls for child care subsidy payments to providers.

Recommendation 6

DEL should routinely notify DSHS when a DEL monitoring visit to a child care facility finds a lack of compliance with the maintenance of attendance records.

Legislation Required:	None
Fiscal Impact:	JLARC assumes that this can be completed within existing resources.
Implementation Date:	June 2011

PART THREE – AFFORDABILITY AND AVAILABILITY OF SUBSIDIZED CHILD CARE

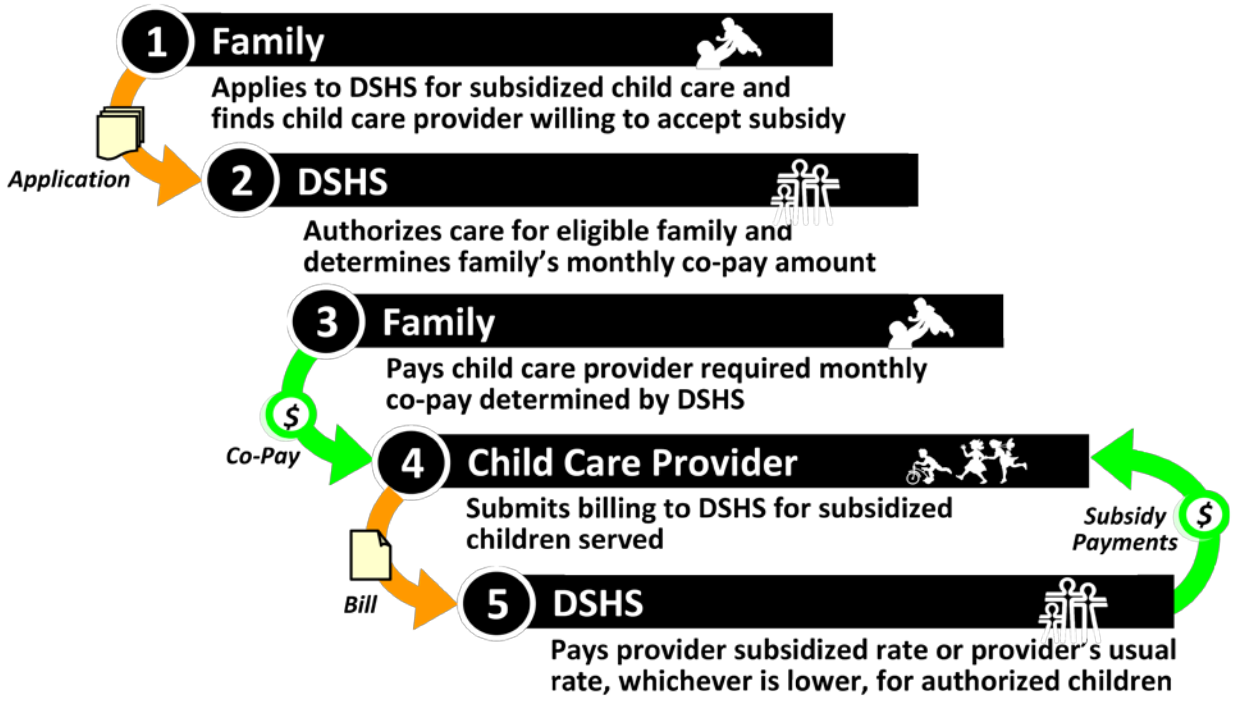
JLARC was instructed to go beyond a performance audit of DEL's direct responsibilities and also examine the extent to which subsidized child care is affordable and available to low-income families in Washington.

Child care subsidies are payments made by the state to child care providers so families that could not otherwise afford child care can receive child care while working or training for work. In Washington, the subsidized child care program is called Working Connections Child Care and is available to families with incomes at or below 200 percent of the Federal Poverty Guidelines.

DEL is the lead agency for receipt of federal funds specifically allocated for child care subsidies. In that role, DEL works with other agencies to establish eligibility requirements, the subsidy rates paid to child care providers (these rates vary by the age of the child, DSHS region, and other factors), and the monthly co-payments families must make. In 2010, the Legislature's budget notes include a transfer from DEL of policy functions to DSHS to consolidate eligibility determinations. The budget note did not change DEL's statute regarding the state subsidy programs.

Using established policy, DSHS makes determinations about family eligibility and handles the subsidy payments to the providers, as described in Exhibit 7.

Exhibit 7 – DEL Has No Direct Role in Child Care Subsidy Authorization and Payment Process



Source: JLARC analysis of agency data.

Co-Pay is Affordable for Most Eligible Families

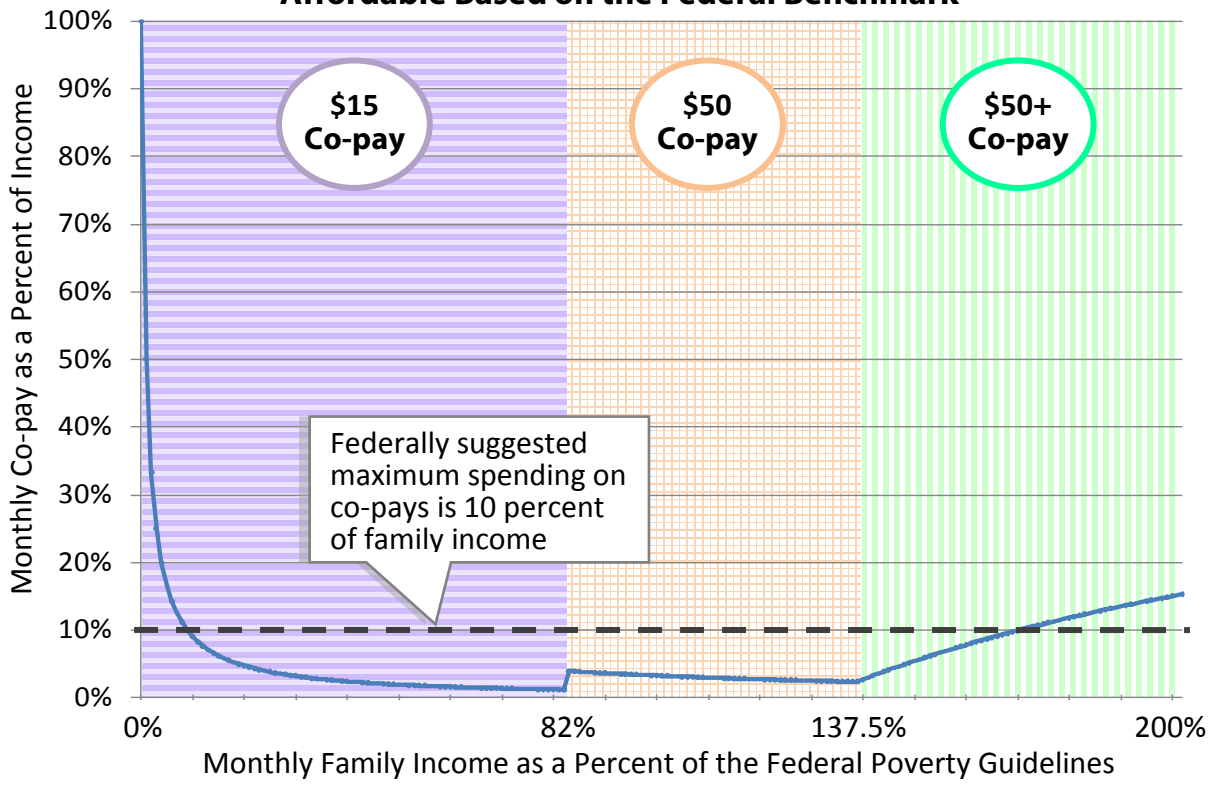
A measurement of the affordability of subsidized child care is the co-pay amount that a family pays as a percentage of its income. The federal Department of Health and Human Services recommends a benchmark for co-pays: the co-pays should not exceed 10 percent of a family's income. Based on this federal benchmark, co-payments are affordable for more than 90 percent of Washington families receiving child care subsidies.

Based on family size and family income, a Washington family's current monthly co-pay is:

- $15 if the family is at or below 82 percent of the Federal Poverty Guidelines (FPG);
- $50 if the family is above 82 percent of FPG and at or below 137.5 percent of FPG; and
- Between $50 and $555 if the family is above 137.5 percent of FPG and at or below 200 percent of FPG.

Exhibit 8 shows the co-pays as a percentage of a family's income in relationship to the family's income as a percentage of the Federal Poverty Guidelines. The monthly co-pays for families are below the federally suggested benchmark of no more than 10 percent of the family income (the bold horizontal line). The percentage of family income needed for co-pays exceeds this benchmark for families with incomes less than $150 per month and those whose incomes exceed 164 to 170 percent of the FPG (depending on family size and income). For families with incomes approaching the upper limit of eligibility (200 percent of FPG), the co-pay never exceeds 16 percent of the family's income. The exhibit is based on a family of three, though there is very little variation for families with of different sizes.

Exhibit 8 – Co-Pays for Most Eligible Families Are Affordable Based on the Federal Benchmark



Source: JLARC analysis of DEL supplied data.

Availability of Subsidized Child Care Is Unclear

To determine availability of subsidized child care, JLARC looked at two questions:

- Are families that meet eligibility requirements using subsidized child care?
- Can eligible families find providers that will take subsidized children?

Eligible Families and Subsidized Child Care Usage

Washington has an estimated 210,000 families that have children under the age of 13 years and are at or below 200 percent of the Federal Poverty Guidelines. These families are potentially eligible for Working Connections Child Care if they meet other eligible requirements such as being in a training program or having a job. Some of the families do not meet the additional eligibility criteria, and some that do qualify elect to use other sources of child care such as family members or friends. Overall, about 36,000 families are using subsidized child care. While this is 17 percent of the potentially eligible families, there is no state waiting list for families who want, but are not authorized, to receive subsidized child care.

Finding Providers That Will Take Subsidized Children

The federal Department of Health and Human Services recommends a benchmark for child care subsidy payments to providers: the child care subsidy payments should be set at or above the 75th percentile of the state's "market rates." The market rates are the customary rates charged by a child care center or family home. The 75th percentile means that the customary rate charged by three out of every four providers is at or below the state subsidy rate.

Because Washington's subsidy payment rates vary by the age of the child, DSHS region, and other factors, how close the subsidy rates come to meeting the 75th percentile benchmark varies as well. For example, a market rate survey conducted for DEL in 2008 showed that in DSHS Region 2 (the central southern part of the state), 82 percent of family homes reported the rates they charged for infants were at or below the state subsidy rates. However, in DSHS Region 4 (King County), 17 percent of centers reported charging rates at or below the subsidy rates paid by the state for infants. Based on a weighted average, state subsidy rates were at the 37th percentile of the state's overall market rate. This is about half of the federal benchmark. According to a 2007 analysis, only nine states had payment rates that were set at the 75th percentile of current market rates.

The state's market rate survey also showed that subsidized child care is available in aggregate, but vacancies and providers' willingness to take subsidized children varied based on:

- The age of the child;
- Where the family lives;
- Type of child care facility (e.g., family home or center); and
- Differing family needs (e.g., language, non-standard hours, or special needs child).

The result of these differences might be that subsidized child care takes longer to find in certain areas than in others. DSHS does provide families with contact information for Child Care Resource and Referral services to assist families in finding a provider. However, approximately 1 percent of families receiving Temporary Assistance for Needy Families (TANF) each month are granted more time to find child care before they are required to be employed or in a job training program.

APPENDIX 1 – SCOPE AND OBJECTIVES

DEPARTMENT OF EARLY LEARNING PERFORMANCE AUDIT

SCOPE AND OBJECTIVES

SEPTEMBER 26, 2007

STATE OF WASHINGTON
JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

STUDY TEAM
Sylvia Gil

PROJECT SUPERVISOR
Keenan Konopaski

LEGISLATIVE AUDITOR
Ruta Fanning

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Why a JLARC Evaluation of The Department of Early Learning?

Second Substitute House Bill 2964 (2006) established the Department of Early Learning. This legislation also directs JLARC to evaluate the Department's efforts in nine areas.

Background

The Legislature created the Department of Early Learning in 2006 (2SHB 2964). Statute directs the Department to implement state early learning policy and to coordinate, consolidate, and integrate child care and early learning programs in order to administer programs and funding as efficiently as possible.

As part of this broad mandate, the Legislature transferred the administration of three early learning programs to the new Department of Early Learning:

- The Working Connections Child Care Program, transferred from the Department of Social and Health Services. Administration of this program includes:
  - Providing child care subsidies to eligible low-income families; and
  - Licensing child care facilities throughout the state;
- The Early Childhood Education and Assistance Program, transferred from the Department of Community, Trade and Economic Development. Administration of this program is through contracts with regional providers for the state preschool program; and
- The Early Reading Initiative, transferred from the Office of the Superintendent of Public Instruction. This program provides grant funds for early literacy projects.

Statute also directs the Department to participate in a nongovernmental public-private partnership, improve parent education and support, carry out quality improvement activities, standardize a variety of administrative functions, and coordinate with the K-12 system and advisory bodies.

Scope

As directed by the Legislature, JLARC will evaluate the implementation and operation of the Department of Early Learning. The review will focus on the evaluation areas specified in statute.

Study Objectives

Per the direction from the Legislature, this study will address the following questions: To what extent

1) Have services and programs that were previously administered separately been effectively integrated?
2) Have reporting and monitoring activities been consolidated and made more efficient?
3) Has consolidation resulted in administrative efficiencies within the Department?
4) Have child care and early learning services improved?
5) Is subsidized child care available?
6) Is subsidized child care affordable?
7) Has the Department been an effective partner in the nongovernmental private-public partnership?
8) Has the Department put in place procedures to respect parents and legal guardians and provide them the opportunity to participate in the development of policies and program decisions affecting their children?
9) Has the Department conducted parent outreach and education?

Data Collection

Per JLARC's request, the Department of Early Learning prepared an initial data collection plan for the Committee in advance of this evaluation. JLARC has also identified additional data needed for the evaluation. The overall data collection plan is described in the Department of Early Learning Pre-Audit Briefing Report.

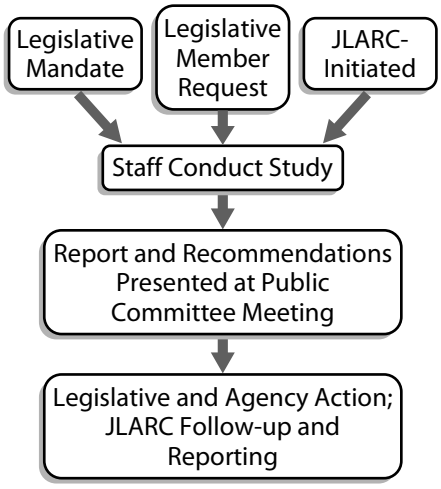
Timeframe for the Study

Staff will present its preliminary and final reports at the JLARC meetings in July and August 2010.

JLARC Staff Contact for the Study

Sylvia Gil (360) 786-5179 Gil.Sylvia@leg.wa.gov

JLARC Study Process



Criteria for Establishing JLARC Work Program Priorities

- Is study consistent with JLARC mission? Is it mandated?
- Is this an area of significant fiscal or program impact, a major policy issue facing the state, or otherwise of compelling public interest?
- Will there likely be substantive findings and recommendations?
- Is this the best use of JLARC resources? For example:
  - Is JLARC the most appropriate agency to perform the work?
  - Would the study be nonduplicating?
  - Would this study be cost-effective compared to other projects (e.g., larger, more substantive studies take longer and cost more, but might also yield more useful results)?
- Is funding available to carry out the project?

APPENDIX 2 – AGENCY RESPONSES

- Department of Early Learning

Note: JLARC is required by statute to provide the Office of Financial Management (OFM) with preliminary audit reports for comment. OFM responded that they did not have comments on this report. JLARC also provided the report to the Department of Social and Health Services (DSHS) for comment. Since there were no recommendations to DSHS, they also did not have any comments.

STATE OF WASHINGTON

DEPARTMENT OF EARLY LEARNING
P.O. Box 40970, Olympia, Washington 98504-0970
(360) 725-4665 • FAX (360) 413-3482

June 28, 2010

TO: Ruta Fanning, Legislative Auditor
Joint Legislative Audit & Review Committee

FROM: Bette Hyde, Director
Department of Early Learning

SUBJECT: AGENCY RESPONSE TO JLARC REPORT

Thank you for the opportunity to respond to the Joint Legislative Audit and Review Committee's (JLARC) *Department of Early Learning Review: Preliminary Report*. We appreciate the recommendations you have made to us, and our response to these recommendations is attached.

We also are submitting an appendix with more information on the following areas covered in the report:

- School readiness;
- High-quality environment;
- Safe and healthy environment;
- Administrative efficiency;
- Parent education and outreach; and
- Licensing standards.

We hope this information will be useful to the committee.

We are proud of our progress in building a world-class statewide early education system for children in Washington in such a short time. We appreciate the support of the Governor, the Legislature, the JLARC committee, the private and nonprofit sectors, and parents around the state in helping ensure all children enter school ready to learn and succeed.

Agency response to JLARC recommendations

Recommendation	Agency Position	Comments
Recommendation 1: **DEL should adopt a common monitoring tool such as the checklist that includes a core set of required minimum health and safety standards to consistently assess compliance across ECEAP and child care facilities. This tool should be incorporated into DEL's existing ECEAP contract reporting requirements to provide assessments of individual sites.**	Partially concur	Some health and safety standards and monitoring processes should be identical for ECEAP and child care, but there are many standards that should be different based on the distinctive program purposes, children's ages and length of time in care, competing state requirements in settings with ECEAP classrooms, staffing ratios and qualifications and, sometimes, costs. **STRUCTURE:** There are reasons why ECEAP and child care do not have the same monitoring protocols, partially based on DEL's relationship to each program: • For child care, DEL licenses independent businesses. • For ECEAP, DEL designs the program, chooses and funds contractors, and monitors compliance of individual programs, which includes performance standards related to many more components than child care. **REASON FOR THESE DIFFERENCES:** In some cases the ECEAP standard is more stringent and, in others, the child care requirement is more stringent. Almost always, there is a program-specific reason for this difference. It would be unnecessarily costly to apply standards that are key to one program to the other. An extensive revision of ECEAP standards, addressing alignment with child care, occurred in 2005-06 and was implemented on July 1, 2006, the day DEL began. Potential for further alignment should be examined standard-by-standard as we revise the child care Washington Administrative Code (WAC) in 2011-12, conduct the legislatively required work in HB 2731 and HB 6759, and align with birth to 3 and grades K-3 standards. **MONITORING:** Both ECEAP and child care settings are monitored for much more than health and safety requirements—using one monitoring tool for both would be difficult. DEL agrees that, when an ECEAP and child care standard is similar or identical, DEL staff should monitor for the same characteristics and use similar questions on their monitoring tools. **MONITORING SCHEDULES:** ECEAP has a strong health and safety record. Adding staff and capacity required to conduct an annual health and safety review of each ECEAP classroom to match child care licensing would be costly. DEL will compile state-level compliance data on key health and safety requirements common to both programs; ECEAP data would be self-reported by contractors (covering all individual programs) and verified by DEL staff through a sampling approach.

		ACTION: To best understand the costs and benefits to alignment, DEL will compile a comparison on compliance between ECEAP and child care licensing including recommendations on alignment (completed by June 2012). Further alignment would require: a background check system, additional reporting requirements for ECEAP contractors, rulemaking processes for ECEAP and child care licensing, and potential administrative capacity (FTEs and equipment).
Recommendation 2 **DEL should regularly aggregate and analyze compliance data from the health and safety checklists.**	Partially concur	Using up-to-date data to inform decision-making is critical to our ongoing effectiveness. While prior appropriation requests to build and implement a centralized data system have not yet been successful, DEL is currently using resources from the federal State Longitudinal Data System grant to get started. Full implementation of DEL's data system will require additional resources. Additionally, DEL will transition to electronic licensing forms to collect licensing data this year. This software application will format inspection reports and securely send data collected to DEL in a standardized data format to facilitate data-driven decision-making and reporting as well as for integrated posting to DEL's Child Care Check website.
Recommendation 3 **DEL should adjust the health and safety checklist so that the coding unambiguously reflects compliance or noncompliance with each of the individual health and safety standards.**	Partially Concur	Related to above. Upon implementation of electronic licensing forms and checklists, licensors will be given a limited number of reporting options for all reports. A drop-down format will allow only a finite number of codes to ensure coding is clear and unambiguous.
Recommendation 4 **DEL should revise its policy for scheduling monitoring visits to take into account a facility's level of compliance with the health and safety standards.**	Partially concur	The 2010 Supplemental Operating Budget (ESSB 6444) included the following proviso (without appropriation): *"The legislature notes that the department of early learning is developing a plan for improving child care licensing and is consulting, as practicable, with parents, licensed child care providers, and stakeholders from the child care community. The plan shall outline the processes and specify the resources necessary for improvements such as continuing licenses, child care licensing technology, and weighted child care regulations, including development of risk-based decision making models and inclusive, evidence-based rule making. The department shall submit to the appropriate committees of the legislature a plan by January 15, 2011."* This proviso will give DEL an opportunity to examine the costs, benefits, and implementation of differential enhanced monitoring.

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		This process has been designed and begins June 2010. Differential enhanced monitoring sets a minimum monitoring visit standard (currently outlined in the Department's GMAP measures reported quarterly) and increases the level of monitoring based upon risk-based decision making. This concept is being investigated as part of the above-referenced budget proviso. Implementation would require a data system capable of triggering and tracking monitoring.
Recommendation 5: **DEL should establish a policy to provide guidance regarding which facilities should receive technical assistance and training and for what purposes.**	Concur	While all facilities currently receive technical assistance opportunities, increased coordination between licensing and technical assistance opportunities will maximize DEL's impact and investment. DEL has already made recent changes to improve coordination between child care resource and referral efforts and licensing. DEL's contract with the Washington State Child Care Resource & Referral Network (CCR&R) will require quarterly meetings (at a minimum) between DEL and CCR&R to discuss coordination of technical assistance, along with other contract deliverables.
Recommendation 6: **DEL should routinely notify DSHS when a DEL monitoring visit to a child care facility finds a lack of compliance with the maintenance of attendance records.**	Concur	DEL agrees and will develop a formal policy and procedure for licensing staff defining when they will notify DSHS of a facilities' non-compliance with attendance record-keeping. Prior to completing this policy, DEL will: • Develop criteria for compliance with attendance records and what threshold of non-compliance should be reported. • Seek input from DSHS Economic Services Administration to understand any potential consequences on administrative costs. • Consider costs and benefits in adopting a statewide on-site electronic attendance tool for families receiving subsidies to sign in and sign out. The provider would then receive payment only for those children who have been checked in using the tool. DEL does not believe implementation of a policy change would be cost neutral.

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Appendix: Additional Information

I. School Readiness

DEL is piloting the **Washington Kindergarten Inventory of Developing Skills (WaKIDS)** to 3,000 children in 120 classrooms statewide this fall to determine how best to support successful transitions to kindergarten. Results and recommendations are due to the Legislature in January 2011.

The 2009 Legislature passed House Bill 1244, which appropriated $50,000 in FY10 and $50,000 in FY11 to identify and test a kindergarten readiness assessment. Working in partnership with Thrive by Five Washington (Thrive) and the Office of Superintendent of Public Instruction (OSPI), DEL has leveraged public dollars to $750,000 with support from the Bill and Melinda Gates Foundation and Thrive to support the WaKIDS pilot.

The Washington State Early Learning and Development Benchmarks are a tool for parents and child care providers to better understand and support child development in five developmental domains from birth through kindergarten entry. These Benchmarks have been available since 2005. The Benchmarks transition to the standards outlined in the Essential Academic Learning Requirements for kindergarten. In addition, DEL in 2008 created a user-friendly parent's guide to the Benchmarks, which is available in English and Spanish.

Essential Academic Learning Requirements (EALRs)—initially developed due to the Basic Education Act in 1993—outline standards required for each grade level from K-12 in: math, reading, writing, science, social studies, communications, the arts, health and fitness, and education technology. The EALRs define what standards children should be able to meet beginning with the kindergarten year.

II. High Quality Environments

DEL is currently field testing **Seeds to Success**, our quality rating and improvement system that supports and incentivizes improved quality in child care. Originally $4.75 million in state funding was appropriated in the FY 07-09 biennium. This funding was cut to $1 million due to the state's increasing economic difficulties in the FY 09-11 biennium. The funding source was also changed from state general funds to federal American Recovery and Reinvestment Act funds. DEL leveraged private dollars in partnership with Thrive to continue the field test in five communities statewide.

Our state-funded Early Childhood Education and Assistance Program (ECEAP) has program quality standards and all contractors are required to conduct fall and spring child assessments in physical, cognitive and social-emotional development. Data gathered statewide and reported during the May 13, 2010, Government Management Accountability and Performance forum on education included the following:

- The Devereux Early Childhood Assessment (DECA) is administered to all ECEAP children and measures social-emotional skills desired by kindergarten teachers, including self control, initiative, and attachment. During school year 2008-09, the percentage of children with social-emotional strengths above typical expectations for their age

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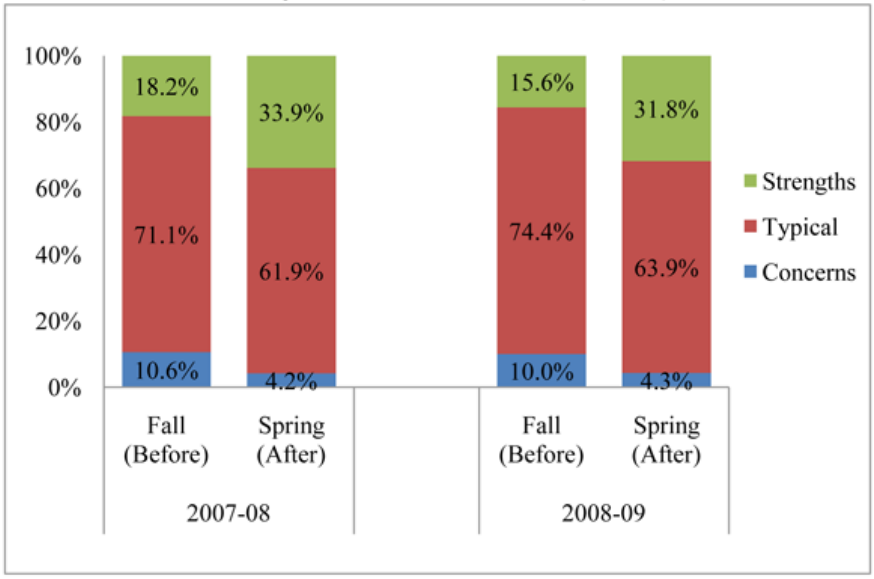
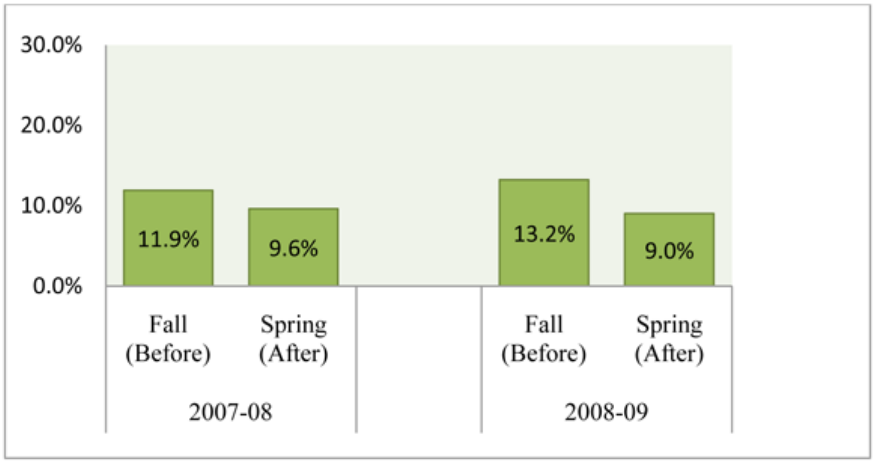
increased by 16 percent. Severe behavioral concerns were reduced by 32 percent (344 children).

Devereux Early Childhood Assessment (DECA) Results



DECA Behavioral Concerns



- The Creative Curriculum Development Continuum (CCDC) is a curriculum-embedded assessment, using ongoing teacher observation of children's progress with 50 objectives in several developmental domains. Ten objectives closely relate to the Benchmarks. A child's ability is ranked from not yet, Step 1—Just beginning, Step 2—Approximated mastery and Step 3—Mastery. For each objective, more than 25 percent of ECEAP children moved from Not Yet/Step 1 to Steps 2 or 3. Progress was made in all measures, with greatest progress in the areas of math concepts, print concepts, self-direction and independence, and writing letters and words.

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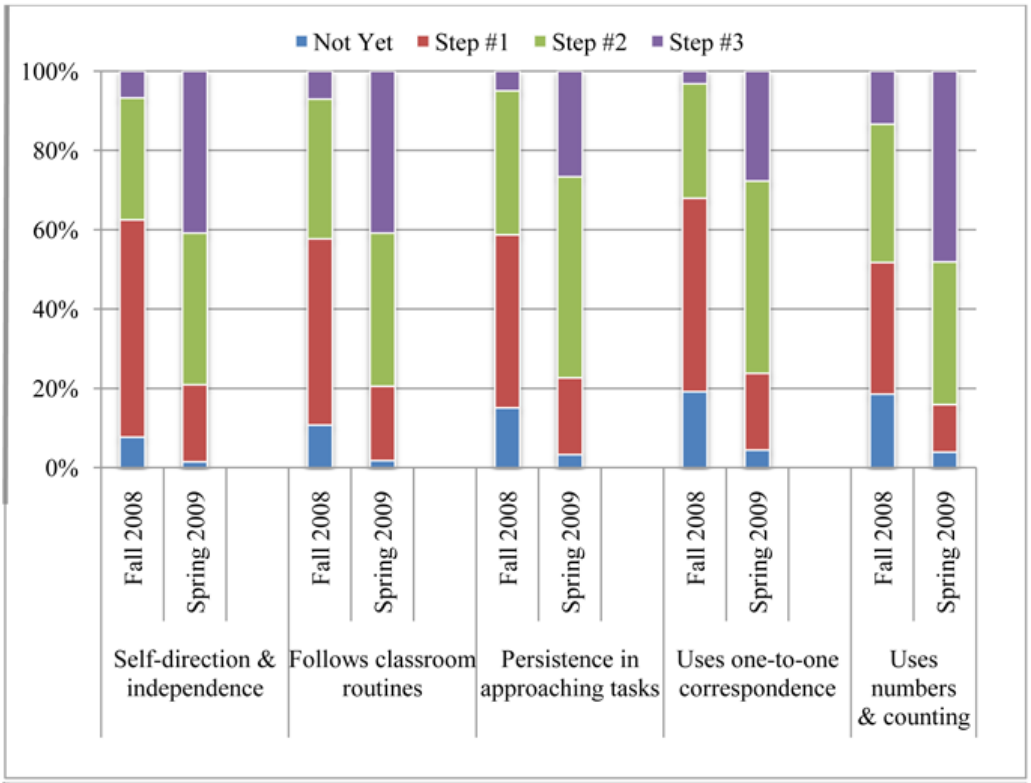
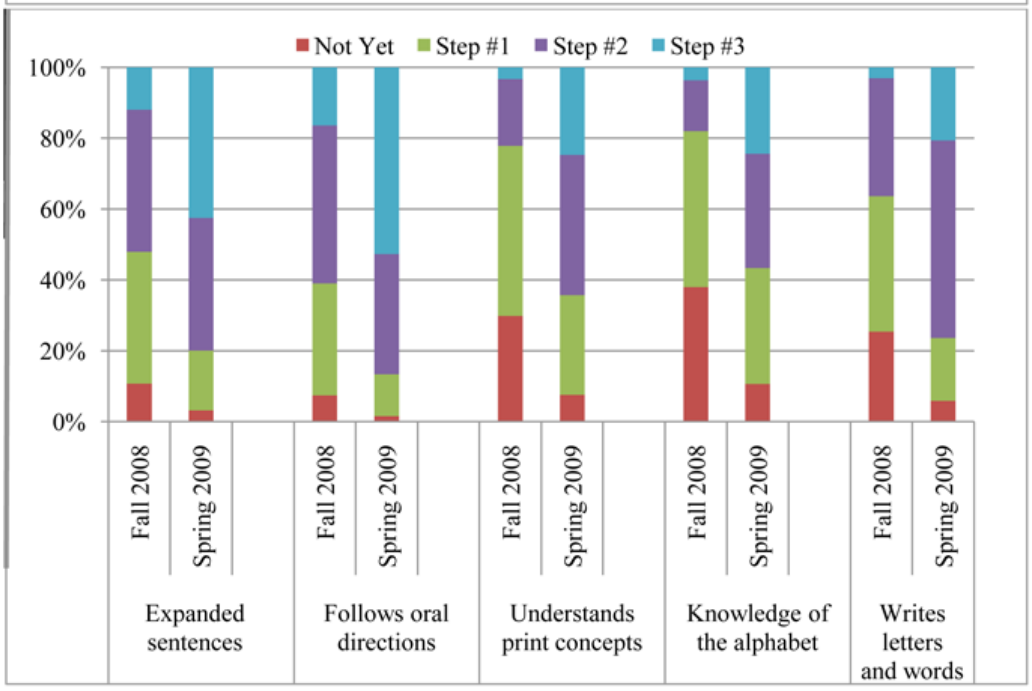
ECEAP Learning Outcomes, Creative Curriculum
Representative Sample of 21% of ECEAP





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III. Safe and Healthy Environment

In addition to the above measures on ECEAP children's learning outcomes, DEL monitors all 40 ECEAP contractors on health and safety standards each year. This is done differently than in licensed child care. DEL monitors some ECEAP health and safety standards electronically on a monthly or annual basis, through contractor reports in our ECEAP Management System (EMS) or required deliverables such as the end-of-year report.

ECEAP has an extensive annual self-evaluation process, in which contractors describe and rate their performance on each of 90 standards, including all health and safety standards. As part of their contractual responsibilities, ECEAP contractors monitor all of their subcontractors' sites and must have a continuous improvement system that ensures compliance with ECEAP Performance Standards. Contractors combine this monitoring information on all health and safety standards in their annual self-assessment report.

Through monthly calls with each contractor, DEL follows up on any items reported as "partially met" or "not met" on the self-assessment or noted as out-of-compliance from DEL site visits, program reviews or EMS data. DEL provides technical assistance and requires verification of compliance.

Finally, DEL conducts intensive program reviews on a rotating schedule and risk-based ECEAP site monitoring visits as needed. During school year 2009-10, DEL conducted on-site monitoring visits with a sampling of classrooms for 38 contractors and a full intensive program review for the other two contractors.

IV. Administrative Efficiency

DEL is always mindful of keeping administrative costs as low as possible while offering excellent service to the public. It is difficult to make an "apples to apples" comparison of administrative costs pre- and post-DEL. We believe the baseline numbers in the report are not complete and that all the administrative costs from the previous agencies did not transfer. For example:

- The original amount DEL was charged for torts self-insurance for FY 2008 was $5.1 million. This figure alone is more than an estimated administrative amount that transferred from both agencies together.
- DEL received a grant from the Gates Foundation in FY 2009 ($375,018) that was included in the administrative budget. This grant was not part of DSHS or COM.

It is also important to note that DEL has taken on many new initiatives since our creation—areas of work that did not exist when DEL activities resided in the Department of Social and Health Services (DSHS) and the Department of Commerce (COM). We believe that given the new depth and breadth of our work, it is to be expected that we would have additional administrative costs. In addition to child care licensing and monitoring, and an historic expansion of ECEAP in the 2007-2009 biennium, here are some other new areas of legislatively-mandated work we took on for the time period of the JLARC study (comparing 2006 with 2009):

- **Early Learning Advisory Council**. DEL staffs this council, which meets quarterly to advise the agency on early learning issues.

- **Seeds to Success (quality rating and improvement system).** DEL, in partnership with Thrive, has overseen the design and testing of our state quality rating and improvement system, now entering year two of the field test.
- **Family home labor agreement**. DEL is part of negotiations with the Service Employees International Union #925 for family home and license-exempt child care providers.
- **Negotiated rule making**. DEL led an intensive and inclusive negotiated rule making process to generate research-based recommendations for updating family home child care rules.

Some of DEL's new initiatives since the end of the JLARC study period:

- **Washington Kindergarten Inventory of Developing Skills (WaKIDS)**. DEL, in partnership with OSPI and Thrive, has designed and will pilot a kindergarten readiness assessment process during school year 2010-2011.
- **Early Learning Plan.** DEL, in partnership with Thrive and OSPI, brought together hundreds of stakeholders in an intensive and inclusive process to create this plan, which when adopted this fall will be the "roadmap" for continued efforts to build a statewide early learning system
- **Home visiting account.** DEL will partner with Thrive to oversee the newly created home visiting services account.
- **Professional Development Consortium.** DEL and Thrive are leading this work to create a set of recommendations to the Legislature for how to create a clear, comprehensive early learning professional development system.
- **"Licensing reboot."** DEL has initiated this process to gather information from providers and licensors about how to improve licensing, and assess what tools and resources our licensors need to ensure high-quality, consistent licensing and monitoring work. This process is connected to the proviso in the 2010 supplemental operating budget that calls for DEL to convene a work group to create a plan for the future of licensing.
- **Infant and toddler system building.** In addition to welcoming the Early Support for Infants and Toddlers program (formerly the Infant Toddler Early Intervention Program) to DEL on July 1, 2010, we also have used federal economic stimulus dollars to create a plan for how to build regional capacity to improve quality of care for infants and toddlers.
- **Early learning studies in HB 2731 and SB 6759.** Workgroups are looking at standards and structure for early learning programs in our state.
- **Early Learning Partnership.** Formal Early Learning Partnership resolution in place with OSPI and Thrive. The leaders of the three groups have set mutual priorities and meet quarterly to review progress to ensure we move our state forward in creating an early learning system that supports school readiness and success for our youngest learners.

V. Parent Education and Outreach

DEL is proud of our efforts to ensure that we deliver useful information and resources to parents, and that we gather input from parents to inform our work. Following is information on our available publications and resources, as well as significant outreach we have conducted.

DEL Publications and Resources

DEL is proud that we have developed 13 publications since our creation for parents, providers and other audiences to help support healthy child development. DEL also partners with other state agencies to promote and disseminate their publications about topics related to early learning. DEL's family-specific publications include:

Title	*Type*	*Purpose*	*Formats*
You Have a Choice! A Guide to Choosing Quality Child Care	Booklet	Support families in looking for the right child care arrangement for them.	English: Hard copy, online
You Have a Choice! A Guide to Choosing Quality Child Care	Brochure	Sent to all new Washington parents through Department of Health CHILD Profile (condensed version of larger booklet)	English: Hard copy, online Spanish: Hard copy, online
An Introduction for Parents to the Washington State Early Learning & Development Benchmarks	Booklet	Guide to the larger Benchmarks document for parents. Includes tips to encourage healthy child development.	English: Hard copy, online Spanish: Online only
Child Care License Suspension & Revocation: What Washington Parents Should Know	Brochure	Information and resources for licensors to share with parents when their provider's license has been suspended or revoked.	English: Hard copy, online
Seasonal Child Care Program Brochure*	Brochure	Information for seasonal agricultural workers seeking safe, reliable child care.	English, Spanish: DEL distributes hard copies to contractors, online

**This publication was created in February 2010, after the end of the JLARC review period.*

Examples of other DEL-funded resources for parents include:

- Child Care Check, our online tool available at **www.del.wa.gov/check**. Child Care Check offers parents information about licensed child care providers. Parents can also call our toll-free Child Care Check phone line to talk one-on-one with a DEL staff member in English or Spanish and get more information about a specific licensed provider. (1.866.482.4325).

  For state fiscal year 2010 to date (July 1, 2009, through June 17, 2010), DEL has received 1,109 inquiries through Child Care Check, which includes 737 phone calls, 367 e-mails, and 5 letters received by mail.

- DEL contracts annually to the Washington State Child Care Resource & Referral Network to provide child care referral information to parents.

DEL Parent Outreach:

DEL's Parent Needs Assessment study was a large-scale qualitative and quantitative research project conducted in 2008 at the direction of the Legislature. DEL was created to be a resource for all parents, and the Parent Needs Assessment included a statistically representative group of Washington parents.

The study had two parts:

1. Phone survey with a sample size of 823 randomly selected parents to provide findings representative of all children in the state under age 6, plus children in these subpopulations: infants, toddlers, and preschool-age children; English-speaking and Spanish-speaking families; families living below, at and above 100 percent and 185 percent of federal poverty guidelines; and urban and rural families.
2. Eight focus groups, including 85 parents representing: teen parents; foster parents; families living on military bases; homeless families; migrant/seasonal agricultural workers; families from Tribal Nations; families from the Chinese community; families from the Vietnamese community.

In addition to this large-scale assessment and our Parent Advisory Group, DEL regularly connects with parents statewide via e-mail communication, public surveys and community meetings. Here is a sample of DEL's parent outreach activities in the past year:

Type of outreach activity	*Respondents*
Public "key communicator" surveys (ongoing on a variety of DEL topics)	5 surveys during state fiscal year 2010; 628 respondents, including parents
Draft Early Learning Plan survey	37 parent/guardian respondents
Parent outreach forums	8 public meetings in Oct./Nov. 2009 to gather input on draft Early Learning Plan forums

VI. Licensing Standards

The JLARC analysis looks at whether compliance with some health and safety standards has *increased* among licensed providers since DEL's creation. We feel it is important to note that it could be that since the creation of our agency, we have more consistently and closely monitored provider compliance with health and safety standards, therefore causing a *drop* in compliance rates. That would mean we are doing a better job in noting and citing lack of compliance, and getting providers the technical assistance they need to come into compliance.

Since DEL's creation, we have implemented licensing policies and procedures (all posted online at **www.del.wa.gov/laws/licensing/Default.aspx**) and improved licensor training to help ensure greater consistency in our licensing monitoring. We are confident that these additional resources have strengthened our licensing monitoring work to better ensure safety and health for children in licensed settings.

DEL believes the information provided in the report shows measurement of visit-to-visit change in the sampled child care settings, but does not necessarily evaluate the more complex interactions between DEL licensors and child care providers, which include a balance of regulatory enforcement, technical assistance, and education on each visit or contact.

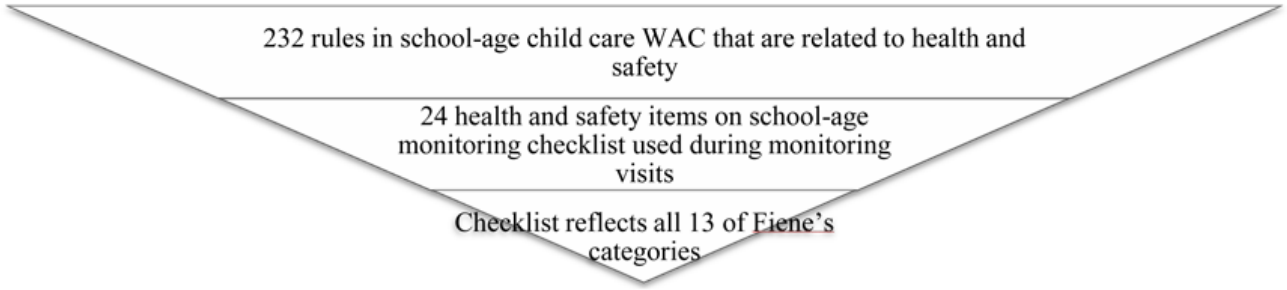
DEL looks at many safety and health issues when we monitor licensed child care settings. These issues are included in our licensing rules (Washington Administrative Code). The rules are different for family home child care, center-based care and school-age care.

During our monitoring visits, we use a checklist that is specific to the type of child care: home, center or school-age. (The monitoring checklists are available online at **www.del.wa.gov/publications/licensing/Default.aspx**.)

We base these checklists on licensing rules, as well as the indicators in Dr. Richard Fiene's 2002 *13 Indicators of Child Care Quality, A Research Update:*

- Child abuse reporting and clearance
- Inaccessibility of toxic substances
- Fire drills are conducted
- Children are supervised at all times
- Proper administration of medication
- Proper hand washing/diaper changes
- Proper maintenance of outdoor playground
- Staff training
- Director and lead teacher qualifications
- Staff to child ratio and group size
- Properly immunized children
- Developmentally appropriate discipline is used
- Emergency phone number and contact information

Here is an example of how we apply state health and safety rules and these research-based indicators during a monitoring visit of a *school-age child care setting*:



DEL agrees that that we do not currently have the capacity to easily pull aggregate data on safety and health compliance in licensed child care settings. Monitoring visits are currently conducted using the paper checklist, which after completion is kept on file in one of 18 DEL licensing offices around the state.

As mentioned in our response to recommendations, DEL has piloted an electronic licensing forms tool that can aggregate compliance agreement data, which we expect to fully implement in SFY 2011. When we have developed this system, we can start moving away from paper-based monitoring and toward more easily accessible aggregate data.

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APPENDIX 2A – AUDITOR'S COMMENTS

The response from the Department of Early Learning (DEL) includes additional comments on some areas covered in the report. For two of these areas, JLARC provides the following clarifications to statements they provide:

Administrative Efficiency: DEL states that they believe the baseline expenditures in the report are incomplete and that not all the administrative costs from the previous agencies were transferred. JLARC's FY 06 baseline expenditure data was based on information developed by DEL and the agencies that transferred programs. In this "recast process," the Office of Financial Management (OFM) coordinated with DEL and agencies that transferred programs to restructure data, including administrative expenditures, to match the current agency budget structure. This process is required by statute, and is intended to provide historical information that is comparable across years. When completed, this information was provided to the Legislative Evaluation and Accountability Program (LEAP) committee, an official source of fiscal information for Legislative members and staff.

Parent Education and Outreach: JLARC provided a draft copy of the report to DEL in May 2010, reflecting our understanding of the information we had been provided on parent publications. That draft noted most publications were only available in English. DEL provided technical comments on the draft, which did not include any information contradicting this point. Subsequent to publishing our report, DEL provided additional information on Spanish language availability. We have verified this information and changed our report. Unfortunately, this information had not been provided previously.

APPENDIX 3 – SAMPLE METHODOLOGY

A paper checklist is used when conducting the required monitoring visits. The completed checklists are held at local DEL offices and the data from the checklists are not usually forwarded to DEL headquarters. Accessing all of the monitoring checklists across the state would not be feasible. Therefore, we decided to sample monitoring checklist records.

Phase 1, The Sample Design and Data Collection – JLARC requested from DEL lists of facilities monitored in timeframes before the creation of DEL and after. The list of facilities monitored before the creation of DEL included those monitored in mostly 2005 (centers monitored within date ranges of December 1, 2004, to February 1, 2006; family homes monitored within date ranges of June 1, 2004, to February 1, 2006). The list of facilities monitored after the creation of DEL included those monitored in mostly 2008 (centers monitored within date ranges of December 1, 2007, to February 1, 2009; family homes monitored within date ranges of June 1, 2007, to February 1, 2009). From these lists JLARC was able to generate a random list of facilities that would be statistically representative of all licensed facilities. JLARC requested DEL collect checklists for the facilities in our sample in the specified timeframes. DEL collected:

- 538 checklists for facilities (177 checklists from centers and 361 checklists from family homes) for the timeframe before the creation of DEL; and
- 513 checklists for facilities (177 checklists from centers and 336 checklists from family homes) for the timeframe after the creation of DEL.

As a result, the checklist collected for the sample of facilities is representative of all licensed facilities in the state with a 95 percent confidence interval and a margin of error that is plus or minus no more than four percentage points.

Phase II, Analyzing the Checklist Data – JLARC created a database to enter coding from the checklist. There was some variation in the number of standards contained on the checklists by the type of facility and the timeframe. To analyze compliance, we identified 17 standards that were consistent across facility types and timeframes.

Phase III, Verifying Methodology and Analysis – Our sampling methodology and analysis were reviewed by John Tarnai, Ph.D., Director of the Social and Economic Sciences Research Center at Washington State University.