

**Department of  
Early Learning  
Review**

**Report 10-7**

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STATE OF WASHINGTON  
JOINT LEGISLATIVE AUDIT AND  
REVIEW COMMITTEE

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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:

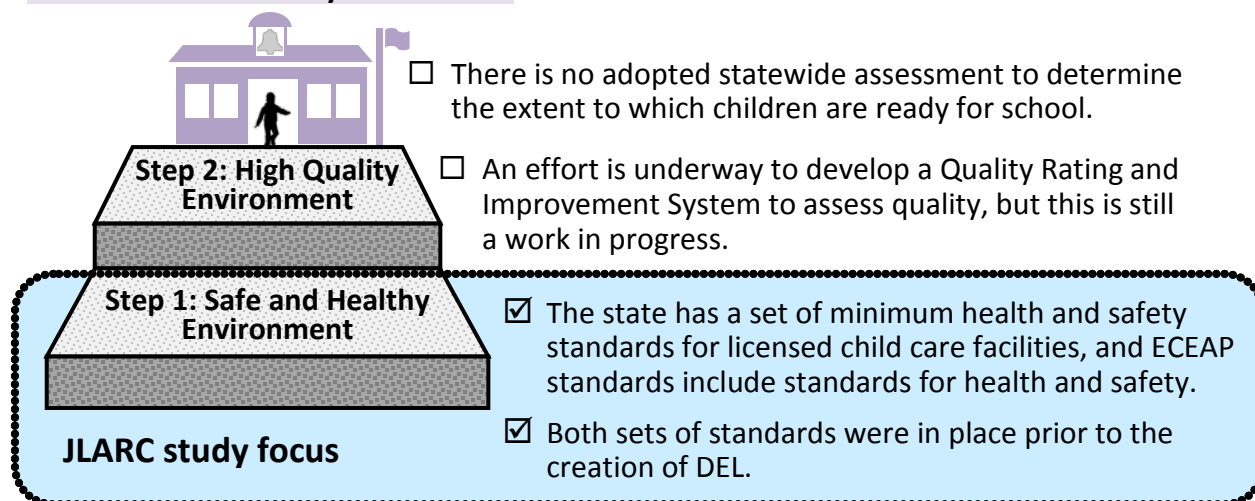
- **Integration:** Administrative functions have been merged into one agency; however, the management of the programs remains separate and DEL has not taken advantage of opportunities to integrate the health and safety standards for licensed child care and ECEAP.
- **Administrative Efficiency:** The 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

Goal: Children Ready for School



## 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.