

**HB 3073 C STAFF MEASURE SUMMARY**

Carrier: Rep. Power, Rep. Zika

**Joint Committee On Ways and Means****Action Date:** 06/21/21**Action:** Do pass with amendments to the B-Eng bill. (Printed C-Eng.)**House Vote****Yeas:** 9 - Bynum, Gomberg, Leif, McLain, Nosse, Rayfield, Sanchez, Smith G, Sollman**Nays:** 2 - Drazan, Stark**Senate Vote****Yeas:** 11 - Anderson, Frederick, Girod, Golden, Gorsek, Hansell, Johnson, Knopp, Lieber, Steiner  
Hayward, Taylor**Nays:** 1 - Thomsen**Fiscal:** Fiscal impact issued**Revenue:** No revenue impact**Prepared By:** Doug Wilson, Budget Analyst**Meeting Dates:** 6/21, 6/21**WHAT THE MEASURE DOES:**

Creates a new Department of Early Learning and Care (DELIC) and makes changes to the Employment Related Day Care (ERDC) program. Major items relating to the Early Learning Division (ELD) and the creation of the new agency include:

- Making the Early Learning Council (ELC) responsible for leading the planning that establishes the goals, objectives, and strategies for a statewide early learning system. Modifies the duties of the ELC.
- Modifying membership and duties of State Interagency Coordinating Council which is responsible for coordinating early intervention and early childhood special education.
- Establishing the separate Department of Early Learning and Care and abolishing the Early Learning Division which is now part of the Department of Education. The new agency is established on January 1, 2023. The Early Learning director is the head of the new DELIC and the responsibilities and duties and powers of the director and the new agency are described. Includes general transfer language moving duties, powers, functions responsibilities, funds, property, records and staff from the Department of Education to the new agency.

Major items relating to the Employment Related Day Care program include:

- Caps the ERDC copayment at 7% of a child's family household income; however, the copayment structure proposed by the Early Learning Division to take effect 10/01/2021 tops out at less than 3% of monthly household income. Households up to 100% of FPL would not have a share of cost.
- Requires provider payments to be based on enrollment, not attendance.
- Provides that eligibility may not be based on the citizenship or legal status of a child or a child's family (effective 06/30/2023).
- Establishes a minimum 12-month continuous eligibility period.
- Requires that eligibility determinations consider the availability of the family to attend the child, regardless of the family's physical presence.
- Transfers ERDC to the new Department of Early Learning and Care beginning June 30, 2023 and requires the Department of Human Services (DHS) to deliver related records and property.
- Codifies conditions under which a provider may be eligible to receive a higher rate of reimbursement or other financial incentive.
- Requires progress reports by ELD and DHS to the Legislative Assembly on the status of plans to implement the measure, progress of the transfer, adoption of rules, fiscal and budgetary impacts, and recommendations.

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The necessary funding to carry out this bill is found in HB 5006.

### **ISSUES DISCUSSED:**

- Cost and staffing impact of the new Department of Early Learning and Care
- Source of funding for the both the new agency and the changes to the Employment Related Day Care program

### **EFFECT OF AMENDMENT:**

-B5 Delays establishment of the new agency from July 1, 2022 until January 1, 2023. Reporting requirements are modified and are moved up for the Department of Education and Department of Human Services to September 2021, from December 2021.

### **BACKGROUND:**

The Early Learning Division of the Department of Education was established by passage of House Bill 3234 in 2013. That measure transferred certain duties previously assigned to the Early Learning Council to the Division. Since that time, the Division has served to govern and manage most of the state's early child care and education programs and services.

House Bill 3073 makes the Early Learning Division into an independent state agency, titles the new agency the Department of Early Learning and Care, modifies related definitions and duties, and transfers the Employment Related Day Care subsidy program currently managed by the Department of Human Services to the newly created agency.