

HCS SS SCS SB 726 -- CHILD CARE

SPONSOR: Shields (Franz)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Family Services by a vote of 7 to 2.

This substitute changes the laws regarding child care subsidies, a child care quality rating system, and youth development programs.

CHILD CARE SUBSIDIES

By July 1, 2012, the substitute requires the Children's Division within the Department of Social Services to modify the income eligibility criteria for receiving financial assistance for child care by allowing families with an income below 160% of the federal poverty level to receive subsidy benefits, subject to appropriations. The benefits will be distributed on a sliding scale based on family size and income. The division may waive the sliding scale fee for children with special needs and may establish procedures to assist families with incomes of more than 160% of the federal poverty level in transitioning off of state assistance. If annual appropriations are not sufficient to cover all eligible families, the division may establish a waiting list and rules for the prioritizing of eligible recipients on the waiting list.

The Child Care and Development Fund is created which will consist of moneys received from the federal Child Care and Development Block Grant Program. Upon appropriation, moneys in the fund will be used by the department only within the guidelines of the federal program. Any moneys remaining in the fund at the end of the biennium will not revert to the General Revenue Fund.

CHILD CARE QUALITY RATING SYSTEM

The Department of Social Services in collaboration with the departments of Health and Senior Services, Elementary and Secondary Education, and Mental Health is required to develop by September 1, 2008, a quality rating system for early childhood and before- and after-school programs that are licensed by the Department of Social Services. Licensing will be the baseline rating, with the highest rating being accreditation. The Department of Social Services must use the model developed by the University of Missouri Center for Family Policy and Research to establish the quality rating system. The rating system will allow an individual to evaluate and select high quality programs, create an accountability system for policymakers and funders, and guide providers through a system of ever increasing levels of

quality with specific outcomes for child care. The rating system must be fully implemented by July 1, 2011.

By July 1, 2010, the Coordinating Board for Early Childhood within the Children's Services Commission must develop a plan for a tiered rating system of reimbursement for child care subsidies based on the rating system. By December 31, 2009, a proposed plan with recommendations for implementation of the reimbursement system must be submitted to the General Assembly. The plan will only become effective after authorization by the General Assembly.

The substitute creates the Quality Rating System Program Improvement Grant Fund to be administered by the Department of Social Services to provide grants directly to licensed providers to make quality improvements to comply with the rating system or to community-based organizations assisting providers with the improvements. Moneys in the fund will consist of donations, gifts, transfers, bequests, and appropriations from the General Assembly.

The Department of Social Services in collaboration with the departments of Health and Senior Services, Mental Health, and Elementary and Secondary Education will be responsible for:

- (1) Collecting, developing, and distributing resource materials to educate the public and early childhood and before- and after-school programs in Missouri about the quality rating system; and
- (2) Posting the ratings on the Internet by January 1, 2010.

YOUTH DEVELOPMENT PROGRAMS

Neighborhood youth development programs will be exempt from state child care licensing requirements if the program:

- (1) Is affiliated and in good standing with a national congressionally chartered organization's standards under Title 36, Public Law 105-225;
- (2) Provides recreational, educational, and character-building activities geared for children six to 17 years of age;
- (3) Adopts standards for staff that include ratios, training, health and safety, and assessments;
- (4) Does not collect any additional compensation for its services, except annual membership dues not exceeding \$50 per year or program service fees for special activities;

- (5) Informs parents that the program is not regulated by licensing requirements;
- (6) Provides a process for dispute resolution for parental complaints; and
- (7) Conducts national criminal background checks for all program employees and volunteers who work with children as well as screening under the Family Care Safety Registry.

The provisions regarding the child care quality rating system will expire six years from the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of Up to \$32,687,155 in FY 2009, Up to \$37,612,473 in FY 2010, and Up to \$41,562,018 in FY 2011. No impact on Other State Funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that a child care rating system for early childhood care facilities will give the children of Missouri an opportunity for a better education and start with a solid foundation. A unified group that could educate our children will cut down on special education needs in our current education public system and will save costs. The bill will provide a system of monitoring child care facilities and will provide feedback for improvement. A rating system is an investment in quality as we prepare our children for school. Current research shows that children who attend high quality programs in the first years of life are more likely to complete high school, have better attitudes toward school, and score higher on tests; all of which translate into lower costs on the education system. Over 60% of mothers work outside the home which allows them less time to teach their children at young ages, and 85% of brain structure is complete by age three. A rating system will be beneficial to families because it helps them evaluate the quality of programs available at their child care provider, helps them find quality providers, and gives a resource for parents. Seventeen states are participating in similar programs and are seeing encouraging numbers and sharing valuable information. Twenty-nine states are in the process of building a quality rating system.

Testifying for the bill were Senator Shields; Kathy Thornburg, University of Missouri Center for Family Policy and Research; Missouri State Teachers Association; Citizens for Missouri's Children; Partnership for Children; Missouri Child Care Resource and Referral; Beth Ann Lang, Teacher Education and Compensation Helps Early Childhood MISSOURI; Missouri Chambers of Commerce and Industry; Greater Kansas City Chamber of Commerce; Missouri National Education Association; and Diane Mauzy, Association for

the Education of Young Children of Missouri.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say this program would only apply to licensed facilities and would have no impact on religious programs that do not accept public funds.

Testifying on the bill was Missouri Baptist Convention, Christian Life Commission.