

Small Business Economic Impact Statement

Chapter 170-300
WAC

Foundational Quality Standards for Early
Learning Programs

May 9, 2018

SECTION 1:

Describe the proposed rule, including: a brief history of the issue; an explanation of why the proposed rule is needed; and a brief description of the probable compliance requirements and the kinds of professional services that a small business is likely to need in order to comply with the proposed rule.

The Department of Early Learning (DEL) licenses center and family home child care providers. Chapters 170-295 and 170-296A provide the providers' respective licensing requirements. DEL proposes these rules to comply with Chapter 7, Laws of 2015 (Early Start Act), which directed the Department of Early Learning (DEL) to create a single set of licensing standards for center and family child care providers. The proposed rules introduce education requirements that will better equip early learning providers with the necessary skills and knowledge to administer early learning programs that fully protect the health and safety of children in their care while delivering the best possible care. These goals are part of DEL's mission to develop children to their fullest potential and get all of the state's youngest learners prepared for kindergarten. The proposed rules also address critical health and safety needs of children enrolled in early learning programs, meet federal requirements, accommodate unique differences between family home and center environments, and promote cultural diversity. More detail about the proposed rules is included in Section 3. All but two of the proposed requirements that are likely to exceed the minor cost threshold are current requirements, but are all included here since the current requirements are being recodified in new sections. The only professional services needed to comply with the new requirements are continuing and higher education.

SECTION 2:

Identify which businesses are required to comply with the proposed rule using the North American Industry Classification System (NAICS) codes and what the minor cost thresholds are.

Table A:

NAICS Code (4, 5 or 6 digit)	NAICS Business Description	# of businesses in WA	Minor Cost Threshold = 1% of Average Annual Payroll	Minor Cost Threshold = .3% of Average Annual Receipts
624410	child day care services	2228*	\$1,548	937.9591562

*Based on data from the 2012 U.,S. Census. As of April 12, 2018, 3,415 family homes and 2,141 centers were licensed in Washington State for a total of 5,566 child care providers.

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SECTION 3:

Analyze the probable cost of compliance. Identify the probable costs to comply with the proposed rule, including: cost of equipment, supplies, labor, professional services and increased administrative costs; and whether compliance with the proposed rule will cause businesses to lose sales or revenue.

Compliance with the proposed requirements detailed here is not likely to cause businesses to lose sales or revenue.

Proposed WACs 170-300-0001 through 170-300-0080 explain when a program must be licensed, procedures for a licensee's absence, and what information about child development and early intervention screenings must be communicated to families. Any increase would be to administrative costs and is expected to be minimal.

Proposed WACs 170-300-0100 through 170-300-0107 identify providers' preservice screening requirements, preservice education requirements and in-service continuing education requirements. Preservice requirements are primarily early childhood education (ECE) certificates, or the equivalent. The state's community college system offers three stackable certificates that lead to an AA degree.

Probable costs for pre-service screening required of all providers are \$55 for a tuberculosis screening and, for providers who will have unsupervised access to children, \$68 for a comprehensive background check. Probable costs for specific pre-service education requirements for family home and center child care positions are:

Position	Required Education	Probable cost:
Family Home Child Care:		
Licensee	ECE initial certificate	\$2,208
Lead Teacher (primary staff person)	ECE initial certificate	\$2,208
Assistant Teacher (secondary staff person)	high school diploma or GED certificate	\$120 (GED)
Center Child Care		
Director	ECE state certificate	\$8,648
Assistant Director	ECE state certificate	\$8,648
Program Supervisor	ECE state certificate	\$8,648
Lead Teacher	ECE short certificate	\$3,680
Assistant Teacher	ECE initial certificate	\$2,208

Additionally, Child Care Basics training must be completed by all of the positions listed above. Child Care Basics is a series of training modules that cover recognizing and reporting child abuse, emergency preparedness, serving children experiencing homelessness, child restraint procedures, medication management, shaken baby syndrome, and infant safe sleep practices. Additional training requirements are first aid, blood borne pathogens, and CPR. Finally, providers who will serve food must obtain a Food Worker card. Probable cost of this training: Child Care Basics, \$250, First Aid, CPR, Bloodborne Pathogens - \$120, and Food Handler - \$10.

Temporary increased administrative costs of \$15/hour may result if an early learning provider needs substitutes to replace employees who are released to complete coursework.

Ten hours of continuing education must be completed annually. Many of the classes are free or on a sliding scale. The probable cost of in-service training is \$0 - \$60 per year.

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Proposed WACs 170-300-0110 through 170-300-0120 are administrative in nature and require specific staff policies, staff oversight, staff-related record-keeping, and specific staff support. Any increase would be to administrative costs and is expected to be minimal.

Proposed WACs 170-300-0130 through 170-300-0147 specify environmental standards for early learning programs, including indoor furnishings, storage for children's belongings, and safety requirements for indoor and outdoor space. Probable costs are:

Family Home Child Care		Center Child Care	
Requirement	Cost	Requirement	Cost
ADA compliance to accommodate enrolled children.	Indeterminate	ADA compliance to remove barriers to building access, if readily achievable and accommodate enrolled children.	Indeterminate
Child-size furniture and soft furnishings	\$1,300	Child-size furniture and soft furnishings	\$6,408
Bins/racks for storing children's personal belongings*	\$500	Bins/racks for storing children's personal belongings*	\$3,000
Outdoor play equipment for any licensed outdoor space	\$1,000 (1 swing/slide combo)	Outdoor play equipment for any licensed outdoor space	\$6,000 (6 swing/slide combos)
Family homes and centers:			
Fence with self-closing, self-latching gate to enclose any licensed outdoor space.* Probable cost assumes 1,000 square-foot area:			\$9,609
Shock absorbing material under swings & outdoor play equipment* Probable cost assumes a coverage area of 230 sq. feet necessary for a swing set at a depth of 6'. Acceptable options are:			
rubber mulch – 4.2 cubic yards			\$1,309
pea gravel – 6 cubic yards			\$400.20
playground wood chips – 6 cubic yards			\$180

*Only new requirement in environmental standards.

Analysis based on current average family home capacity of 9 children and average center capacity of 69 children. Sales tax, delivery, and installation charges are not included in probable costs.

Proposed WACs 170-300-0150 through 170-300-0160 specify standards for early learning program activities to encourage physical play, quiet activities, promote imagination and creativity, promote language development and literacy skills, promote counting and other numeracy skills, promote spatial ability, encourage discovery and exploration, and promote learning skills. Select soft furnishings that comply with proposed WAC 170-300-0135 will, at least in part, satisfy these standards. Probable costs to fully comply with these proposals are \$300 - \$500 for a family home child care and \$2,100 - \$3,500 for a child care center.

Proposed WACs 170-300-0165 through 170-300-0175 specify requirements necessary to protect children's safety while in child care. Some of these requirements will apply to very few programs, because they are specific to the physical structure and surroundings that would not be in or near licensed space, such as glass doors and water hazards. Probable costs are:

Requirement:	Probable cost:
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Stickers for glass door	\$20
Shatter resistant light bulbs	\$45/15 bulbs
Cardinal window gate	\$25/4 gates
Window/door alarm	\$30/4 alarms
Deck guardrail (required only when platform or deck with a drop zone of more than 18" is used for child care activities)	\$96/3 feet of railing
Flashlight and extra batteries	\$25
Working telephone	\$50 and monthly phone service charge
Pivot or side-hinged exit door for family home child care	\$500
Annual fire safety inspection	\$25 - \$100
Annual fireplace/woodstove inspection	\$99
1 smoke detector per floor and in each sleeping area	\$50 per detector
1 fire extinguisher per floor	\$35
Barrier with lock for water hazard – examples include: locking cover straps for hot tub fencing with locking gate for 14'x28' swimming pool with alarm	\$17 \$1,987
Annual cleaning for swimming pool used in program	Indeterminate

Proposed WACs 170-300-0180 through 170-300-0198 provide for safe food preparation and service, good nutrition, accommodating special dietary needs of children in care, and offer toothbrushing to promote good dental hygiene. Probable costs are:

Requirement	Probable cost
Meals and snacks – assuming 3 snacks and 1 meal	\$10/per child, daily
Vented range hood, exhaust fan or window in food prep area	\$290 [range hood]
Refrigerator/freezer	\$700
2 compartment sink & sanitizing dishwasher OR 3 compartment sink	\$792 or \$775
colander to prevent food from touching sink basin	\$30
Toothbrush and toothpaste	\$3/brush and \$5/toothpaste tube

Sales tax, delivery, and installation charges are not included in probable costs. A provider will likely incur minimal administrative costs to prepare and post menus and confer with families about special dietary needs that may require written food plans.

Proposed WACs 170-300-0200 through 170-300-0236 specify standards to promote good health for children in care, such as proper handwashing, limiting exposure to illness, confirming immunization or otherwise communicating with parents about immunizations, safe medication practices, safe bathroom and diapering practices, safe drinking water, first aid, and pets/animals related-restrictions. Probable costs are:

Requirement	Probable cost
Handwashing soap	\$7/gallon
Paper towels	\$23/250 towels
Working toilet	\$150
Utility step platform	\$30
Toilet paper dispenser	\$30
Toilet paper	\$50/96 rolls
Working sink/faucet	\$250
Bathroom window or exhaust fan	\$40

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Washable floor surface	\$3/sq. ft.
Nonslip floor surface around tub or shower or grab bar	\$50
First aid kit for licensed space	\$15
First aid kit for transport vehicle	\$15
Centers only: Diapering area if program enrolls infants or toddlers. Diapering area must contain sink, sturdy diapering surface or mat, moisture resistant & washable floor mat extending at least 2' from diaper station and handwashing area; dirty diaper storage, and dirty diaper disposal receptacle with removable liners	\$533
Centers only: Safe drinking water must be offered in each classroom. Acceptable sources include a sink that is not used for handwashing, a drinking fountain, or bottled water.	\$250/classroom

Sales tax, delivery, installation charges, and monthly water service costs are not included in probable costs.

Proposed WACs 170-300-0240 through 170-300-0260 clarify cleaning and sanitation standards and prescribe requirements for private septic systems, pest control and hazardous material storage. Probable costs are:

Requirement	Probable cost
Bleach	\$3/gallon
All-purpose cleaner	\$20/2.5 gallon
Laundry soap	\$25/gallon
Washing machine & dryer - optional	\$1,400
Vacuum	\$100
Carpet shampooer	\$200
Annual septic system inspection	\$50
Centers only: hazardous materials storage room must have exterior window or mechanical ventilation system	Indeterminate

Sales tax, delivery, installation charges, any contracted services, and monthly water service costs are not included in probable costs. A provider will incur additional cost if septic system inspection reveals issues that require remediation.

Proposed WACs 170-300-0265 through 170-300-0270 specify standards for sleep and rest, including what equipment must be provided and how it will be maintained. Probable costs are:

Family Home Child Care		Center Child Care	
Requirement	Cost	Requirement	Cost
Sleeping equipment. Options include: Toddler cots or Sleep mats	\$3,593 or \$90	Sleeping equipment. Option include: Toddler cots or Sleep mats	\$27,548 or \$690
Bedding	\$180	Bedding	\$1,380
Weekly laundering	\$312	Weekly laundering	\$2,392
Door alarm for overnight care	\$15/door	(Centers typically do not provide overnight care.)	
Baby monitors for overnight care	\$30		

Sales tax is not included in probable costs. Analysis is based on 1 year-license cycle..

Proposed WACs 170-300-0275 through 170-300-0290 specify requirements specific to infant and toddler care. Probable costs are:

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Requirement	Probable cost:
Bottle preparation area that includes a sink and is 8' from diaper changing area or physically separated by moisture-resistant, cleanable barrier. .	\$0*
Refrigerator for breast milk.	\$0*
Safe sleep training	\$0*
High chairs	\$100/chair
Developmentally appropriate dishes/utensils	\$25/child
Crib or playpen for each child	\$150/unit
Moisture-resistant mattress for crib:	\$70
Bedding	\$15/sheet
Developmentally appropriate toys and soft furnishings	\$100/child
Centers: regular child care health consultation	\$75-125/hr

*A kitchen may be used for bottle preparation. Probable costs for kitchen sink and refrigerator are listed above. Safe sleep training is a pre-service training requirement for all providers.

Sales tax and monthly water service costs are not included in probable costs. Analysis is based on 1 year-license cycle.

Proposed WACs 170-300-0300 through 170-300-0400 specify standards for interactions and curriculum, including provider interactions with children and families, child-to-child interactions, restraint practices, expulsion policies, classroom organization, and emotional and learning supports. Any increase would be to administrative costs and is expected to be minimal.

Proposed WACs 170-300-0345 through 170-300-0355 specify standards for program structure and organization, including supervising children, how program capacity is determined and provider/staff to child ratios. Probable costs are:

Requirement	Probable Cost
Fifteen sq. ft. per infant; 35 sq. ft. per child for all other children	Indeterminate
Instructional staff to meet capacity and staff to child ratios	Average state wage amounts:* \$15.73=center program supervisor \$13.00=center lead teacher \$11.53=center aide \$11.88=family home assistant staff
Annual licensing fee	
family home child care	\$30
center child care	\$125
Certificate of occupancy & State Fire Marshall inspection	\$0**
"No Smoking" signs	\$10/sign

*Source: DEL's Provider Minimum Wage Impact Survey, March 2017

** Paid by DEL

Proposed WACs 170-300-0450 through 170-300-0505 clarify what records an early learning program must keep, policies that must be maintained, required reporting, and what information must be posted in public areas. Any increase would be to administrative costs and is expected to be minimal.

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SECTION 4:

Analyze whether the proposed rule may impose more than minor costs on businesses in the industry.

Analysis assumes a center statewide average capacity of 69 children in care and a family home statewide average capacity of 9 children. Analysis assumes the program is served by typical utilities, such as water and power. Ongoing costs are factored using a one-year licensing cycle.

New Costs:

Proposed WAC 170-300-0100 imposes a probable cost of \$2,208 on a family home provider who has not completed any coursework that will satisfy the education requirement. A family home provider may incur additional costs of a substitute while he or she completes the education requirement. The proposed rule may impose more than minor costs on centers who incur costs for substitutes if employees are released to complete coursework. This analysis assumes that center employees will be responsible for their individual education costs.

Compliance with proposed WAC 170-300-0140 – supplying mid-level personal, child-accessible storage – will result in a probable cost of \$3,000 for a center.

Current Costs Recodified in New Chapter 170-300 WAC Sections:

To comply with proposed WAC 170-300-0135, a center will likely incur probable costs of \$6,723 for an adequate supply of child-sized furniture and soft furnishings.

Fencing with self-closing, self-latching gates will likely exceed the minor cost threshold for family homes and centers who license outdoor program space. The probable cost varies depending on the size of the space and fence material. Depending on the material used and area that must be covered, shock-absorbing material under outdoor equipment may exceed the minor cost threshold for family homes and centers. If decks or platforms needing guardrails are used for outdoor activities, guardrail materials and installation will likely exceed the minor cost threshold. The cost varies depending on the length needed, materials used, and whether professional installation is needed. A family home or center that uses a self-maintained swimming pool in its program may exceed the minor cost threshold to make the pool inaccessible to children when not supervised by installing a barrier with a locking mechanism and alarming the door that leads to the pool area. These requirements are proposed by WACs 170-300-0045, 170-300-0046, 170-300-0165, and 170-300-0175, respectively.

Meals required by proposed WAC 170-300-0180 will exceed the minor cost threshold for family homes and centers, as will equipping a kitchen to comply with proposed WACs 170-300-0198 and 170-300-0199.

Outfitting a toileting area with equipment and supplies to comply with proposed WACs 170-300-0200 through 170-300-0220 will exceed the minor cost threshold for centers and family homes.

Providing sleep equipment and weekly laundering of bedding to comply with proposed WAC 170-300-0265 will cause Centers to exceed the minor cost threshold.

A Center who provides infant care must contract with a health consultant to comply with proposed WAC 170-300-0275, which will likely exceed the minor cost threshold.

Wages resulting from adequate staffing to comply with staff to child ratios of proposed WACs 170-300-0355 and 170-300-0366 will exceed the minor cost threshold for family homes and centers.

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Additionally centers' ADA compliance required by proposed WAC 170-300-0130 may exceed the minor cost threshold if building alterations are required. ADA compliance is currently a federal requirement and should not be considered a new cost for current licensed centers.

SECTION 5:

Determine whether the proposed rule may have a disproportionate impact on small businesses as compared to the 10 percent of businesses that are the largest businesses required to comply with the proposed rule.

Only small businesses are impacted.

SECTION 6:

If the proposed rule has a disproportionate impact on small businesses, identify the steps taken to reduce the costs of the rule on small businesses. If the costs cannot be reduced provide a clear explanation of why.

NEW REQUIREMENTS:

Proposed WAC 170-300-0100: DEL is committed to collaborating with small business owners to develop equivalencies based on experience, licensing history, and coursework completed to satisfy the professional development requirements of proposed WAC 170-300-0100. DEL is supporting current providers by allowing five years from the rule's expected effective date of August 2019 to complete the requirement. Providers who participate in Early Achievers, Washington's quality early learning rating system, are supported with free training, education scholarships, needs-based grants, quality improvement awards, and reimbursements for substitutes, all of which could be used to offset proposed WAC 170-300-0100's impact on their businesses.

Proposed WAC 170-300-0140 (personal storage): Storage options are available to providers that would not exceed the minor cost threshold.

The current costs recodified in the proposed rules, including those that exceed the minor cost threshold, have no impact on current licensed family home and center child providers.

SECTION 7:

Describe how small businesses were involved in the development of the proposed rule.

Prior to drafting, DEL engaged in a series of meetings around the state to discuss with regulated small businesses the requirement to align standards. Comments collected in those meetings informed rule drafting. DEL released initial draft rules in April 2016 and solicited comments through June 2016. Revised drafts were released November 26 and comments were solicited again.

DEL facilitated 220 hours of negotiation that included representatives of family homes, centers, Head

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Start/ECEAP providers, families, and DEL licensing staff. Negotiators' revisions to DEL's draft rules were released in October 2017 and DEL again solicited public comment.

The revised draft rules released November 2016 and negotiated revisions generated over 1,500 public comments, which were delivered to the negotiators for their consideration. Time was also reserved during scheduled negotiation sessions to hear public comments.

SECTION 8:

Identify the estimated number of jobs that will be created or lost as the result of compliance with the proposed rule.

DEL estimates that there are currently 3,269 providers working in the child care or early learning industry in Washington state that do not meet the educational requirements that would be imposed by proposed WAC 170-300-0100. This data, however, does not enable DEL to predict whether the requirements of this section would result in a loss of jobs or create jobs. Hiring and staffing decisions would vary depending on the needs, resources, and workforce of each early learning program. In addition, a program's hiring and staffing decisions as related to this proposed rule would depend on whether that program elects to cover the cost to complete newly required ECE certificates or not.

In response to providers' concerns that new professional development requirements will cause providers to exit the field, DEL committed to collaborating with providers to determine equivalencies for current staff with the intent of minimizing impact.

The remaining proposed rules are not expected to impact job creation or loss.