



**STATE OF WASHINGTON
DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES**

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September 30, 2022

TO: Interested Persons

FROM: Michelle Balcom, Organizational License Pilot Project Manager

SUBJECT: CONCISE EXPLANATORY STATEMENT (*RCW 34.05.325*)

For rules proposed under notice filed as WSR 22-13-182 on June 22, 2022:

New chapter 110-303 WAC. WAC 110-303-0001; 110-303-0005; 110-303-0010; 110-303-0015; and 110-303-0020.

REASON FOR ADOPTION: Establish requirements for participating in a pilot project that will test the feasibility of licensing multisite programs operated by one owner or entity, explain the criteria the department will use to select pilot participants, and clarify hearing rights for pilot participants.

CHANGES MADE SINCE THE RULE WAS PROPOSED: None.

COMMENTS RECEIVED

The scope of the licensing requirements described in the rule does not indicate how these licensed providers will interact with ECEAP and Child Care Subsidy programs. Please make sure that you get comments from the subsidy programs regarding your rules.

Licensed subsidy providers and ECEAP programs must register for Early Achievers and be rated under Early Achievers, Washington's Quality Rating Improvement System program (managed by Rachel Brown-Kendall copied above). It would be of interest to know whether the one organizational entity would receive a rating or if the individual sites would have separate ratings. It strikes me that a large multi-site organization might either be hard to rate or might have to achieve a rating that was the lowest common denominator across sites. Licensed subsidy sites are paid using SSPS provider numbers. Rated sites receive Tiered Reimbursement paid to their SSPS Provider ID number with the rating level identified to that provider number. Would an entity have one SSPS Provider Number or multiple ones?

I am also curious about the size limitations placed on the organizational entity, involving only 3 to 7 locations. One entity that I can think of that might want to benefit from this (assuming that provider wanted this license status) has 80 to 90 subsidy sites around the state (Kindercare). Even county YMCA after school programs would likely have more than seven sites. I can see why you might want to set limits on a pilot in order to make the pilot manageable, but it is possible that you are not testing organizations of all relevant sizes.

Our organization has 2 sites, but unfortunately we are unable to participate in the pilot because it requires a minimum of 3 sites. I believe an organizational license would allow our school to operate more efficiently- we have two locations but are one school with one curriculum. I respectfully request that the pilot program allow organizations with 2 sites to participate. If you have any questions, please let me know.

AGENCY RESPONSE

The limits on the number of sites allow us to manage the capacity of the pilot and collect sufficient data that will help us determine the benefits of this Organizational License model. There is a diverse group of participants with this range. Some participants have more than 7 sites, but are allowed to only bring up to 7 of their sites into the pilot. Providers who are interested in the pilot but do not meet the criteria are invited to participate in an Observer Group. The Observer Group includes providers who are not in the pilot along with other child care stakeholder groups, such as Schools Out Washington. This group will hear regular updates on the pilot work and provide ongoing input.

We are permitting pilot participation rather than issuing a license to participants. All participants will continue to have an individual license, individual SSPS numbers, and will have individual early Achiever ratings. The pilot will study the feasibility of a new category for child care licensing, the Organizational License category, that is expected to offer a unique process for streamlined applications and more efficient monitoring for organizations that have multiple sites. Pilot designers consulted Subsidy, Early Achievers, and ECEAP program staff to identify the pilot's potential impacts on those provider services, and believe the pilot's design will not result in negative outcomes for those services.

This document also serves as the summary of public hearing comments to the agency head required under RCW 34.05.325(4).

cc: DCYF Rules Coordinator