

Senate Bill No. 540

(By Senators Plymale, Palumbo, Prezioso, Stollings, Unger, Facemire, D. Hall and Laird)

[Introduced February 20, 2015; referred to the Committee on Government Organization; and then
to the Committee on Finance.]

**FISCAL
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article, designated §5-30-1, §5-30-2, §5-30-3, §5-30-4, §5-30-5, §5-30-6 and §5-30-7, all relating to early childhood development; creating Office of Early Childhood Collaboration; requiring appointment of executive director; establishing powers and duties; submission of annual report to Governor and Joint Committee on Government and Finance; establishing priorities; continuing West Virginia Early Childhood Advisory Council; and creating Early Childhood Development Fund.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new article, designated §5-30-1, §5-30-2, §5-30-3, §5-30-4, §5-30-5, §5-30-6 and §5-30-7, all to read as follows:

ARTICLE 30. OFFICE OF EARLY CHILDHOOD COLLABORATION.

§5-30-1. Legislative Findings.

1 The Legislature hereby finds that:

2 (1) Early childhood development is of critical importance to children, families, communities,
3 the education system, employers and the economy; and

4 (2) The first three years of life are the peak time for development of the brain's architecture
5 for vision, hearing, language and other cognitive functions. This is what sets the stage for all later
6 learning and why nurturing relationships and environments are crucial in early childhood; and

7 (3) Thirty percent of West Virginia boys and girls under age six live in poverty. Research
8 in brain development shows that social, emotional and cognitive development is shaped in early
9 childhood and has a lifelong effect. Children who live in poverty are five times more likely to have
10 children outside marriage, twice as likely to be arrested, and nearly three times as likely to have
11 severe health problems. Children who live in poverty also end up earning incomes less than half
12 those of their counterparts; and

13 (4) The West Virginia prison population has tripled in the last twenty years, and our state
14 spends more than \$23,000 on each inmate, which is roughly the cost of providing full-time quality
15 child care to five young children. Taking care of our most vulnerable children is not only the right
16 thing to do; it is the best way to help our state's health, welfare, and economy in the long run; and

17 (5) Returns on investments in human development are the highest during the first three years
18 of life, according to Nobel-winning economist James Heckman and other researchers. Children who
19 participate in high-quality early care and education are more likely to succeed in school and adult
20 life. Better child outcomes lead to a host of societal benefits, including fewer costs for remedial
21 programs, higher college-going rates and a stronger workforce; and

22 (6) In West Virginia, the long-term economic benefit of high-quality early childhood

1 programs is estimated at \$5.20 for each dollar invested, according to a 2005 study by the Center for
2 Business and Economic Research at Marshall University. The study identified four major benefits
3 to West Virginia's families and economy: (A) Increasing the capacity of children to become more
4 productive workers and citizens; (B) providing quality child care so that parents can work; (C)
5 providing a major industry with a significant number of jobs; and (D) producing returns on
6 investment to public and private money in excess of returns to other economic development
7 programs; and

8 (7) The highest quality home visiting programs, over time, yield returns of up to \$5.70 per
9 taxpayer dollar spent, in reduced mental health and criminal justice costs, decreased dependence on
10 public assistance programs, and increased employment, L. A. Karoly, M. R. Kilburn, and J. S.
11 Cannon. (2005). "Early Childhood Interventions: Proven Results, Future Promise." Santa Monica,
12 CA: The RAND Corporation; and

13 (8) John Pepper, former Chief Executive Officer of Procter & Gamble, has stated that
14 business leaders "are powerful allies in the effort to invest scarce public dollars in high-quality home
15 visiting programs. We have seen compelling evidence that home visitation provides dramatic and
16 cost-effective improvements in helping children enter kindergarten ready to learn. There is no better
17 investment for our future than this.";

18 (9) Despite extensive efforts to improve childhood well-being, West Virginia was ranked
19 37th in the nation in the "2014 Kids County Data Book," published by the Annie E. Casey
20 foundation, based in part on risk factors related to the high rate of poverty in the state; and

21 (10) West Virginia is committed to evidence-based early childhood programs that promote
22 prenatal and child health, early learning, social and emotional abilities, and family engagement and

1 well-being; and

2 (11) Early childhood programs must be of sufficiently high quality to achieve positive
3 outcomes, with qualified staff, a healthy learning environment, evidence-based services, strong
4 parent involvement, and effective collaboration among the various programs serving pregnant
5 women, young children and their families. Quality also depends on state-level support for
6 professional development, data for planning and evaluation, quality improvement systems and
7 sufficient program funding; and

8 (12) Research has shown that prevention, early identification, effective interventions and
9 appropriate support can help avoid or reduce adverse experiences and promote healthy development.
10 The Strengthening Families framework, used in West Virginia and nationally, focuses on building
11 five protective factors: parental resilience, social connections, knowledge of parenting and child
12 development, concrete support in times of need, and social and emotional competence of children;
13 and

14 (13) Improvements in wages, benefits and opportunities for advancement in the early
15 childhood field are needed in order to recruit and retain qualified workers and provide the positive,
16 stable relationships that help children thrive. Reimbursement rates for West Virginia child care
17 providers serving subsidized children have not been raised since 2009 and are significantly below
18 75% of market rate, the minimum recommended by the federal child care and development block
19 grant; and

20 (14) Health care providers play a pivotal role in early development. Beyond the health
21 services they provide, many serve as the gateway to other child development services and are
22 instrumental in statewide efforts to prevent and reduce substance abuse during pregnancy; and

1 (15) Effective governance is needed for the overall early childhood system that ensures
2 coordination, alignment, efficiency and accountability; and

3 (16) West Virginia's current early childhood data systems are insufficient to provide for
4 effective system planning, evaluation and accountability, and the creation of a system that links
5 program-specific data systems is needed; and

6 (17) Recognizing the importance of the earliest years of a child's life, Governor Tomblin
7 created the West Virginia Early Childhood Planning Task Force in May 2013 (2013 W.V. Executive
8 Order No. 5); and

9 (18) The Task Force conducted extensive research and released a development plan for the
10 state's early childhood system. The Task Force's findings confirm that West Virginia will benefit
11 from the development and implementation of a comprehensive plan for early childhood development
12 that clearly defines the services and programs most likely to advance the health, development and
13 school readiness of young children. The purpose of this article is to implement recommendations
14 from the Task Force report "Building a System for Early Success: A Development Plan for Early
15 Childhood in West Virginia," and to fully invest in the health, development and well-being of the
16 state's young children.

17 **§5-30-2. Definitions.**

18 (a) "Director" means the Executive Director appointed pursuant to subsection (b), section
19 three of this article.

20 (b) "Early Childhood Advisory Council" or "Council" means the council created by the
21 Governor by 2010 W.V. Executive Order No. 9-10 and codified in section six of this article.

22 (c) "Early childhood system" includes, but is not limited to, West Virginia Birth to Three,

1 West Virginia Home Visitation Program, West Virginia PreK, Head Start and Early Head Start
2 federal grantees in West Virginia, child care programs, Family Resource and Starting Points Centers,
3 Family Resource Networks and County Collaborative Early Childhood Teams.

4 (d) "Office" means the Office of Early Childhood Collaboration.

5 **§5-30-3. Creation of Office of Early Childhood Collaboration; appointment of Executive**
6 **Director.**

7 (a) There is hereby created an Office of Early Childhood Collaboration within the Office of
8 the Governor.

9 (b) The office shall be administered by the Executive Director who shall be appointed by the
10 Governor and who shall serve at the will and pleasure of the Governor. The director shall have
11 expertise in early childhood development.

12 (c) The office shall be the administering agency of the Early Childhood Advisory Council
13 (created by 2010 W.V. Executive Order No. 9-10), the West Virginia Head Start State Collaboration
14 Office (reauthorized under the federal Improving Head Start for School Readiness Act of 2007), and
15 other entities and initiatives as designated by the Governor.

16 (d) The director may employ the personnel necessary to carry out the duties of the office.

17 **§5-30-4. Powers and duties of the office.**

18 (a) The Office of Early Childhood Collaboration shall work with other public and private
19 health, education and human services programs to build a comprehensive, high-quality early
20 childhood system in the state, including, but not limited to, the following objectives:

21 (1) Define and track progress toward desired outcomes in early childhood services by
22 developing a procedure to measure progress by:

1 (A) Developing and implementing a set of indicators and outcome measures to track and
2 report improvements in the early childhood system in the state; and

3 (B) Developing an integrated data system across early childhood programs to collect data on
4 indicators and outcomes.

5 (2) Increase access to early childhood development programs by:

6 (A) Phasing in evidence-based home visiting services beginning prenatally, in every county
7 and for every family that requests a home visit, with the following quality assurances:

8 (i) Services are research-based and grounded in relevant, empirically based best practices and
9 knowledge;

10 (ii) Services have comprehensive home visiting standards that ensure high-quality service
11 delivery and continuous quality improvement;

12 (iii) Services follow the curriculum of an evidence-based home visiting model or promising
13 approach as identified by the Home Visiting Evidence of Effectiveness (HomVEE) review from the
14 federal Department of Health and Human Services;

15 (iv) Services are delivered by well-trained and competent staff and provide continual
16 professional supervision and development relevant to the specific program or model being delivered;

17 (v) Demonstrate strong links to other community-based services;

18 (vi) Operate within an organization that ensures compliance with home visiting standards;

19 (vii) Continually evaluate performance to ensure fidelity to program standards;

20 (viii) Collect data on program activities and program outcomes; and

21 (ix) Services are culturally and linguistically appropriate;

22 (B) Assuring that the West Virginia Birth to Three eligibility definition supports

1 identification of infants and toddlers with significant risk of developmental delay as early as possible,
2 in order to maximize their readiness for later educational success;

3 (C) Raising the child care assistance income limit to be aligned with the West Virginia Self-
4 Sufficiency Standard and consistent with guidance under the federal child care and development
5 block grant;

6 (D) Increasing and sustaining the supply of early childhood programs through competitive
7 provider reimbursement rates;

8 (E) Expanding high-quality early learning programs for three-year-olds beyond existing PreK
9 special education classrooms for three-year-olds through a collaborative model that involves child
10 care and Head Start programs and maximizes federal funding, while ensuring quality, affordable
11 infant and toddler child care and after-school care; and

12 (F) Improving access to and coordination of prenatal, health and early childhood services
13 through stronger collaboration among programs at state and local levels.

14 (3) Improve the quality and effectiveness of early childhood services by:

15 (A) Implementing a quality rating and improvement system for early childhood service
16 providers that includes:

17 (i) Quality standards for programs and practitioners;

18 (ii) Technical assistance and financial incentives for meeting standards;

19 (iii) Monitoring and accountability procedures to ensure compliance with standards; and

20 (iv) Program ratings and consumer education to assist families in choosing quality programs.

21 (B) Strengthening family engagement, support and leadership throughout the state's early
22 childhood system;

1 (C) Supporting the work of the Professional Development Committee of the Early Childhood
2 Advisory Council; and

3 (D) Developing recommendations to improve the recruitment and retention of qualified staff
4 in early education programs, including measures to address low compensation and discrepancies in
5 compensation between early childhood sectors, with consideration given to maintaining affordability
6 of services.

7 (b) Additional duties of the Office of Early Childhood Collaboration shall include, but not
8 be limited to:

9 (1) On or before January 1 of each year, the Office of Early Childhood Collaboration shall
10 submit a report to the Governor and the Legislative Joint Committee on Government and Finance.
11 The Joint Committee on Government and Finance shall distribute the report to the West Virginia
12 Legislative Oversight Commission on Education Accountability and the West Virginia Legislative
13 Oversight Commission on Health and Human Resources Accountability. The report shall detail all
14 steps taken and progress made toward the objectives in subsection (a) and make recommendations
15 for further policies and funding needed to reach those objectives.

16 (2) The Office of Early Childhood Collaboration shall investigate all federal funding and
17 public and private grant opportunities available to early childhood development programs and shall
18 assist early childhood programs in obtaining and maximizing the effectiveness of available funding.

19 (3) The Office of Early Childhood Collaboration will work with local planning and
20 coordinating bodies to maximize use of available resources and make it easy for families to access
21 needed services. Rather than creating new entities, efforts should focus on strengthening existing
22 structures, including, but not limited to, Family Resource and Starting Points Centers, Family

1 Resource Networks, and County Collaborative Early Childhood Teams.

2 (4) The Office of Early Childhood Collaboration shall study and make recommendations
3 regarding the establishment of a Department of Early Childhood to administer state early childhood
4 programs in the state.

5 **§5-30-5. Priorities of the Office of Early Childhood Collaboration**

6 In order to provide greater guidance and focus, the Legislature hereby sets the following
7 priorities for the office:

8 (1) Create an integrated data system across all early childhood programs;

9 (2) Statewide expansion of West Virginia home visitation program;

10 (3) Expanded eligibility definition for West Virginia birth to three;

11 (4) Implementation of quality rating and improvement system, including incentive payments;

12 (5) Raising family income limits for child care subsidies, and increasing provider
13 reimbursement rates for subsidized children;

14 (6) Implementing a statewide full-day, high-quality early learning and child care program for
15 three-year-olds;

16 (7) Improving system planning, evaluation, development and governance;

17 (8) Expanding perinatal drug abuse prevention and treatment; and

18 (9) Providing quality tax credits for early childhood programs, staff and families.

19 **§5-30-6. Continuation of West Virginia Early Childhood Advisory Council.**

20 (a) The Legislature hereby continues the West Virginia Early Childhood Advisory Council,
21 created by 2010 W.V. Executive Order No. 9-10, and amended thereafter, consisting of the following
22 current members:

- 1 (1) The Director of the Division of Early Care and Education, Bureau for Children and
2 Families, Department of Health and Human Resources;
- 3 (2) A representative of the department of education;
- 4 (3) A representative of local educational agencies;
- 5 (4) A representative of institutions of higher education in the state;
- 6 (5) A representative of local child care providers of early childhood education and
7 development services;
- 8 (6) A representative from Head Start agencies located in the state;
- 9 (7) The State Director of Head Start Collaboration;
- 10 (8) A representative of Early Head Start Programming;
- 11 (9) A representative of the West Virginia Department of Education Office of Special
12 Programs, as established under Section 629 of the IDEA;
- 13 (10) The Director of West Virginia Birth to Three, Office of Maternal Child and Family
14 Health, Bureau for Public Health, Department of Health and Human Resources, as established under
15 Part C of the Individuals with Disabilities Education Act (IDEA);
- 16 (11) A representative of in-home family education;
- 17 (12) A representative of the early childhood advocate community;
- 18 (13) A representative of the business community;
- 19 (14) A representative of the Office of Maternal Child and Family Health, Bureau for Public
20 Health, Department of Health and Human Resources;
- 21 (15) A representative of the Governor's Office;
- 22 (16) A representative of labor;

1 (17) The Director of WV Home Visitation Program, Office of Maternal Child and Family
2 Health, Department of Health and Human Services;

3 (18) A representative of the pediatric community;

4 (19) A representative of the child welfare community;

5 (20) A representative of the family child care community; and

6 (21) The Secretary of the Department of Education and the Arts, who is the chairperson.

7 (b) All current representatives on the council shall remain on the council until the expiration
8 of their terms, unless they otherwise resign or are removed.

9 (c) Any vacancy on the council shall be filled by appointment by the Governor and that new
10 appointee shall serve for three years from the date of appointment. Any representative on the council
11 may be reappointed by the Governor for additional three year terms of service.

12 (d) The council shall continue to have the duties and responsibilities set forth in 2010 W.V.
13 Executive Order No. 9-10 , its bylaws and as further directed by the Office of Early Childhood
14 Collaboration.

15 (e) Members receive no compensation. Each state employee member of the council is
16 entitled to be reimbursed by their employing agency for reasonable actual and necessary expenses
17 incurred for each day or portion thereof engaged in the discharge of official duties in a manner
18 consistent with guidelines of the travel management office of the Department of Administration.

19 **§5-30-7. Creation of fund.**

20 There is hereby created in the State Treasury a separate special revenue account, which shall
21 be an interest bearing account, to be known as the "Early Childhood Development Fund." The
22 special revenue account shall consist of all appropriations made by the Legislature, income from the

1 investment moneys held in the special revenue account and all other sums available for deposit to
2 the special revenue account from any source, public or private. No expenditures for the purposes
3 of this section are authorized from collections except in accordance with the provisions of section
4 four of this article. Any balance remaining in the special revenue account at the end of the fiscal year
5 does not revert to the General Revenue Fund but remains in the special revenue account and shall
6 be used solely in a manner consistent with this article.

NOTE: The purpose of this bill is to create the Office of Early Childhood Collaboration; to require the appointment of an Executive Director to the office; to establish the powers and duties of the office; to require the office to submit an annual report to the Governor and to the Legislative Joint Committee on Government and Finance; to establish the priorities of the office; to continue the West Virginia Early Childhood Advisory Council and to create the Early Childhood Development Fund.

This article is new; therefore, strike-throughs and underscoring have been omitted.