A BILL

IN THE COUNCIL OF DISTRICT OF COLUMBIA

To amend the Day Care Policy Act of 1979 to increase the child care subsidy payment rates for providers to align with the cost of care for infants and toddlers; to establish a program for child development facilities to share services in order to focus on programming rather than on administrative tasks; to establish an Infant and Toddler Educator Compensation Task Force to create a salary scale for infant and toddler educators based on experience, education, and length of time at the child development facility, amongst other factors; to amend the Pre-K Enhancement and Expansion Amendment Act of 2008 to expand the duties of the Early Childhood Development Coordinating Council to review reimbursement rates, determine how to encourage more child development resources in low-income communities, and review the Department of Consumer and Regulatory Affairs’ and Office of the State Superintendent of Education’s child development facility regulations; to establish an Office on Early Childhood Development to operate the facility licensing process for child development providers, provide regulatory guidance to early child development providers, assist with financing opportunities, and provide mandatory and voluntary training opportunities at the request of child development providers; to provide tax incentives for property owners to dedicate space to child
development facilities; and to establish a grant program to help providers build-out and
make improvements and enhancements to their facilities.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
act may be cited as the "Bolstering Early Growth Investment Amendment Act of 2017".

TITLE I. COST OF CARE FOR INFANTS AND TODDLERS.

Sec. 101. Short Title.

This title may be cited as the "Child Development Capacity Improvement Amendment
Act of 2017".

Sec. 102. The Day Care Policy Act of 1979, effective June 29, 1979 (D.C. Law 3-16;
D.C. Official Code § 4-401), is amended as follows:

(a) Section 2 (D.C. Official Code § 4-401) is amended as follows:

(1) A new paragraph (1B) is added to read as follows:

"(1B) The term "business support" means assistance with child development
facility enrollment records, payroll records, accounting, bill pay, and other essential
administrative duties.

(2) New paragraphs (3B), (3C) and (3D) are added to read as follows:

"(3B) The term "community-based organization" or "CBO" shall have the same
meaning as provided in section 101(1A) of the Pre-K Enhancement and Expansion Amendment
Act of 2008, effective July 18, 2008 (D.C. Law 17-202; D.C. Official Code § 38-271.01(1A)).

"(3C) The term "Consumer Price Index" or "CPI" shall have the same meaning as
provided in section 102 of the Uniform Per Student Funding Formula for Public Schools and
Public Charter Schools and Tax Conformity Clarification Amendment Act of 1998, effective
October 16, 1998 (D.C. Law 12-207; D.C. Official Code § 38-2901(3)).
“(3D) The term “cost of care” means the estimate of all costs associated with
maintaining licensure and subsidy program participation, including personnel, program
operation, and facilities, used in providing child care pursuant to this act.

(3) A new paragraph (4A) is added to read as follows:
“(4A) The term “financial services” means payroll, tuition fee collection, and bulk
purchasing for child development providers.

(4) A new paragraph (7) is added to read as follows:
“(7) The term “workforce support” means professional development opportunities
and human resource benefits for early childhood development employees.

(b) Section 5a(c) (D.C. Official Code § 4-404.01(c)) is amended by striking the phrase "a
daily rate and sliding fee scale" and inserting the phrase "the cost of care, as provided in section
11 (c) in its place.

(c) Section 11 (D.C. Official Code § 4-410) is amended as follows:
(1) Subsection (a) is amended by striking the phrase “Payments” and inserting the
phrase “Prior to October 1, 2019, payments” in its place.

(2) New subsections (c) through (j) are added to read as follows:
"(c) On October 1, 2019, and thereafter, payment rates shall be set based on the cost of
care as determined by the Mayor pursuant to subsection (d) of this section.

"(d) The Mayor shall, within 180 days of the enactment of the Early Childhood
Development Improvement Amendment Act of 2017, as introduced on June 27, 2017, establish
payment rates for the child care subsidy program that fully reimburse providers for the cost of
care, pursuant to this section.

"(e) Cost of care for each provider shall be differentiated by:
'(1) Quality rating of the child development program;
'(2) Proportion of children with special needs served;
'(3) License capacity of the program;
'(4) Staffing costs, including both wages and benefits, based on whether programs
adhere to minimum salary scale pursuant to title II of this act;
'(5) Number of classrooms and ages of children served;
'(6) Whether a child development facility is a center, home, or CBO; and
'(7) Whether the child development facility uses shared services.
'(f) Cost of care shall be differentiated for each child, based on:
'(1) Age of child;
'(2) Disability; and
'(3) Family circumstances.
'(g) The Office of the State Superintendent of Education ("OSSE") may also consider the
following factors in determining the cost of care:
'(1) Participation in the Quality Improvement Network established in section 15a;
and
'(2) Whether programs are staffed to provide specialized services for children
with disabilities.
'(h) OSSE shall adjust its payment rates annually by the average percentage change in
the CPI for the preceding calendar year, but in no year by more than 4%.
'(i) OSSE shall publish payment rates for the following fiscal year at least 4 months in
advance of the beginning of the coming fiscal year.
"(j) The Mayor shall submit a report to Council that details the impact of the cost of care payment rate on the child development program business model. The report shall be submitted to Council no later than 180 days after the cost of care payment rate goes into effect."

(d) A new section 16 is added to read as follows:

"Sec. 16. (a) Within 120 days of the effective date of this act, OSSE shall select a partner or partners to develop a shared services program for child development homes, child development centers, and CBOs for the purpose of supporting child development providers with business support, financial services, and workforce support.

(b) The partner or partners selected shall establish a network of early child development providers and service providers that offer, at minimum, the following services:

(1) Business support;

(2) Discounted services for child development facility supplies, materials, and other program expenses;

(3) Financial services;

(4) Workforce support; and

(5) Financial training on business operations for child development providers."

(c) By December 31, 2019, and annually thereafter, OSSE shall submit a report on the performance of the shared services program established under this section, to the Mayor, the Council, and the State Early Childhood Development Coordinating Council that shall include:

(1) The number of early child development providers served;

(2) The names and location of early childhood development providers served;

(3) Quality Rating Improvement System rating of child development providers served;
“(4) Services offered to early childhood development providers;

“(5) Additional shared services needed to maximize cost savings for child development providers;

“(6) Estimated cost savings realized by childhood development providers benefitting from a shared services program; and

“(7) Improvements to the business practices and quality ratings of child development centers, child development homes, and CBOs.”.

Sec. 103. Section 47-1002 of the District of Columbia Official Code is amended as follows:

(a) Paragraph (30)(B) is amended by striking the phrase “; and” and inserting a semicolon in its place.

(b) Paragraph (31)(C) is amended by striking the period and inserting the phrase “; and” in its place.

(c) A new paragraph (32) is added to read as follows:

“(32)(A) Subject to the provisions of subparagraph (B) of this subsection, a child development facility in a priority area of the District of Columbia, approved pursuant to section 504 of the Bolstering Early Growth Investment Amendment Act of 2017, introduced June 27, 2017, shall be exempt from real property taxes.

“(B) The real property tax exemption granted by subparagraph (A) of this paragraph shall apply only:

“(i) For 5 consecutive real property tax years beginning with the tax year in which a final certificate of occupancy is issued for the child development facility;
“(ii) During the time that the real property is used as a child development facility; and

“(iii) In the case of a child development facility on real property not owned by the child development provider, if the owner of the real property leases the land or structure to the child development facility at a rent reduced from the fair market rent by an amount equal or greater than the amount of the real property tax exemption.”.

Sec. 104. Section 47-1803.02(a)(2) of the District of Columbia Official Code is amended by adding a new subparagraph (DD) to read as follows:

“(DD) The amount received by a taxpayer pursuant to section 602 of the Bolstering Early Growth Investment Amendment Act of 2017, introduced June 27, 2017.”.

Sec. 105. Section 47-2005 of the District of Columbia Official Code is amended as follows:

(a) Paragraph (38) is amended by striking the phrase “; and” and inserting a semicolon in its place.

(b) Paragraph (39) is amended by striking the period and inserting the phrase “; and” in its place.

(c) A new paragraph (40) is added to read as follows:

“(40) Sales of materials related to the building or renovation of a qualified development facility.”.

Sec. 106. Section 47-2206 of the District of Columbia Official Code is amended as follows:

(a) Paragraph (3) is amended by striking the phrase “; and” and inserting a semicolon in its place.
(b) Paragraph (4) is amended by striking the period and inserting the phrase “; and” in its place.

(c) A new paragraph (5) is added to read as follows:

“(5) Sales of materials related to the building or renovation of a qualified development facility.”.

TITLE II. INFANT AND TODDLER EDUCATOR COMPENSATION TASK FORCE.

Sec. 201. Short Title.

This title may be cited as the “Infant and Toddler Educator Compensation Task Force Establishment Act of 2017”.


For the purposes of this title, the term:

(1) "Associate degree baseline rate" means the minimum salary, established by the Infant and Toddler Educator Compensation Task Force, to be paid to employees who hold an associate’s degree in early childhood education.

(2) “Bachelor’s degree baseline rate” means the minimum salary, established by the Infant and Toddler Educator Compensation Task Force, to be paid to employees who hold a bachelor’s degree in early childhood education.

(3) “Community-based organization” or “CBO” shall have the same meaning as provided in section 101 of the Pre-K Enhancement and Expansion Amendment Act of 2008, effective July 18, 2008 (D.C. Law 17-202; D.C. Official Code § 38-271.01(1A)).

(4) “Child Development Associate credential” or “CDA credential” shall have the same meaning as provided in section 2(1A) of the Child Development Home License
Amendment Act of 2014, effective August 1, 2014 (D.C. Law 20-149; D.C. Official Code § 4-401(1A)).

(5) "Child Development Associate Baseline Rate" or "CDA Baseline Rate" means a salary base rate starting at least 15% above minimum wage.

(6) “Non-subsidy program” means a child development program that does not contract with the Office of the State Superintendent of Education to receive subsidized child care services.

Sec. 203. Infant and Toddler Educator Compensation Task Force.

(a) There is established an Infant and Toddler Educator Compensation Task Force (“Task Force”) in the Office on Early Childhood Development, established pursuant to section 402(a) of the Bolstering Early Growth Investment Amendment Act of 2017, introduced June 27, 2017, to create a salary scale for infant and toddler educators in the District of Columbia. (b) The Task Force shall be composed of 9 members. The Task Force shall include:

(1) One representative from the Office of the State Superintendent of Education (“OSSE”);

(2) One representative from a national early childhood development organization;

(3) One representative from a local early childhood development organization;

(4) One child development in-home provider;

(5) One child development center provider;

(6) One CBO provider;

(7) One representative from an organization with expertise in employee benefits;

(8) One representative from an organization with expertise in business finance;
(9) One representative from an early childhood development advocacy organization;

(b) Each member shall serve without compensation, except that members may receive reimbursement for expenses incurred in the service of the Task Force.

(c) The State Superintendent of Education or his or her designee shall provide administrative support for the Task Force.

(d) The chair of the Task Force shall be appointed by the Mayor.

(e) The Mayor, within 60 days of the effective date of this act, shall appoint all members subject to confirmation by the Council of the District of Columbia.

(f) The Task Force shall:

(1) Review findings and recommendations of the D.C. Commission on Early Childhood Teacher Compensation Study and develop a salary scale for infant and toddler educators that is in parity with the salary received by District of Columbia Public School teachers, and based on current child care licensing standards.

(2) Develop a plan to implement the salary scale, pursuant to this section, within all child development centers, child development homes, and CBOs.

(3) Consider the following factors when creating the salary scale:

(A) Infant and toddler educator experience;

(B) The infant and toddler educator's length of time at the child development center, child development home, or CBO; and

(C) The educator's level of education.

(g) The Task Force’s salary scale shall provide a CDA baseline rate, an Associate Degree baseline rate, and a Bachelor’s Degree baseline rate.
(h) Within 180 days of the appointment of all members, the Task Force shall submit a report on its findings to the Mayor, the Council, and the State’s Early Childhood Development Coordinating Council on the qualifications, salaries, and benefits of infant and toddler educators in the District of Columbia and the fiscal health of child development homes, child development centers, and CBOs in the District of Columbia. The report shall:

(1) Evaluate the impact of cost-based reimbursement funding for infant- and toddler-educator compensation, benefits, and retention;

(2) Assess overall readiness for subsidy providers to implement an enhanced salary scale;

(3) Assess the potential impact of salary scale implementation on non-subsidy programs to determine if additional resources are required for families who are licensed care by a non-subsidy provider, or by programs with fewer than 50% subsidized slots; and

(4) Include recommendations on how to ensure all infant- and toddler-educators have access to a full workforce benefits.

(i) This act shall expire upon the Task Force submitting its report, as provided for in subsection (h) of this section, to the Mayor, the Council, and the State Early Childhood Development Coordinating Council.

TITLE III. EARLY CHILDHOOD DEVELOPMENT COORDINATING COUNCIL EXPANSION.

Sec. 301. Short Title.

This title may be cited as the “Early Childhood Development Coordinating Council Expansion Amendment Act of 2017”.
Sec. 302. Pre-K Enhancement and Expansion Amendment Act of 2008 (D.C. Law 17-202; D.C. Official Code § 38-271.07) is amended as follows:

(a) Subsection (b) is amended as follows:

(1) Paragraph (3)(D) is amended by striking the phrase "; and" and inserting a semicolon in its place.

(2) New paragraphs (3A), (3B) and (3C) are added to read as follows:

"(3A) Review the OSSE early childhood development provider subsidy reimbursement rates;

"(3B) Determine how to encourage more child development resources in low-income communities;

"(3C) Review Department of Consumer and Regulatory Affairs and OSSE licensing regulations for child development centers, child development homes, and CBOs, to provide recommendations for amendments to the Mayor and the Council; and”.

(b) Subsection (c)(2) is amended as follows:

(1) Subparagraph (J) is amended by striking the phrase "; and" and inserting a semicolon in its place.

(2) New subparagraphs (J-1) and (J-2) to read as follows:

“(J-1) Child development center provider;

“(J-2) An in-home child development provider; and”

TITLE IV. OFFICE ON EARLY CHILDHOOD DEVELOPMENT.

Sec. 401. Short Title.

This title may be cited as the “Office on Early Childhood Development Act of 2017”.

Sec. 402. Establishment.
(a) There is established an Office on Early Childhood Development ("OECD") within the Office of the State Superintendent of Education.

Sec. 403. Executive Director of the OECD.

(a) There shall be an Executive Director of the OECD who shall be responsible for the administration of the Office and implementation of the duties of the Office.

(b) The Executive Director of the OECD shall be appointed by the Mayor with the advice and consent of the Council pursuant to section 2(f) of the Confirmation Act of 1978, effective March 3, 1979 (D.C. Law 2-142; D.C. Official Code § 1–523.01(f)).

(c) The Executive Director shall be a full-time position, for which annual compensation shall be fixed in accordance with section 1107 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-610.52).

(d) The OECD shall employ the staff necessary to assist the Executive Director in carrying out his or her duties.

Sec. 404. Duties of the OECD.

(a) The OECD shall provide services to individuals and organizations that want to open, reopen, expand, or operate a quality early childhood development program, or to individuals and organizations currently operating early childhood development programs, including:

(1) Providing regulatory guidance to early childhood development providers;

(2) Providing mandatory and voluntary training to early childhood development providers and guarantee training opportunities during non-traditional hours, at the request of a child development facility;
(3) Coordinating with relevant government agencies to streamline the licensing process for early child development providers;

(4) Connecting child development providers with translation services upon request;

(5) Operating as the liaison between childhood development providers and government agencies responsible for facilities licensure;

(6) Assisting with access to financing opportunities; and

(7) Any other duties the Mayor deems appropriate.

TITLE V. INCENTIVIZING THE SUPPLY OF CHILD DEVELOPMENT FACILITIES TO MEET DEMAND

Sec. 501. Short Title.

This title may be cited as the “Child Development Facility Tax Incentive Act of 2017”.

Sec. 502. Definitions.

For purposes of this act, the term:

(1) “Child development facility” shall have the same meaning as provided in section 4072 of the Healthy Tots Act of 2014, effective February 26, 2015 (D.C. Law 20-155; D.C. Official Code § 38-281(2)).

(2) “Priority area” means a geographical area in the District of Columbia with the highest child development needs, as determined by the Mayor.

Sec. 503. Identification of priority areas.

(a) The Mayor shall, within 180 days of the effective date of this act, submit to the Council for approval by resolution a listing of all priority areas ranked in order ranging from the highest priority to the lowest priority.
(b) The Mayor may update the priority area rankings, provided, that the Mayor shall submit the new listing to the Council for approval by resolution.

Sec. 504. Property and sales tax and license fee incentives for child development facilities established in priority areas.

(a) Any child development facility established in a priority area approved by the Council, after the enactment of this act, shall be eligible for:

(1) A 5-year real property tax exemption pursuant to section 47-1002(32) of the District of Columbia Official Code; and

(2) A sales and use tax exemption on the purchase of all building materials related to building or renovating qualified child development facilities pursuant to section 47-2005(40) and section 47-2206(5) of the District of Columbia Official Code.

(b) To be eligible for any exemption provided under subsection (a) of this section, an applicant shall file with the Mayor, in a manner and form that the Mayor prescribes, an application requesting certification of eligibility for the exemption.

TITLE VI. FACILITIES GRANT.

Sec. 601. Short Title.

This title may be cited as the "Infant and Toddler Facilities Grant Act of 2017".

Sec. 602. Infant and Toddler Facilities Grant Program.

(a) There is established a child development facilities grant program, the Infant and Toddler Facilities Grant Program ("Program"), to be administered by the Mayor for the purpose of assisting child development providers with the construction, renovation, and expansion of child development facilities.
(b) The Mayor may issue grants up to $25,000 per child development provider and any
grants issued shall be exempt from District income taxation.

(c) To be eligible for the Program, a child development facility shall be located in a
priority area, as established by the Mayor pursuant to Section 503 of the Bolstering Early Growth
Investments Amendment Act of 2017; introduced on June 27, 2017, comply with all mandated
certifications and regulations as stipulated in their provider agreement, serve infants and toddlers,
and, in addition:

(1) Child development in-home providers shall:

(A) Be licensed through the Office of the State Superintendent of
Education;

(B) Serve 3 or more infants and toddlers; and

(C) Have at least 50% of enrolled families using subsidized child care.

(2) Child development centers and CBOs shall:

(A) Have a licensed classroom that serves infant and toddlers;

(B) Be first-time applicants; and

(C) Have at least 50% of enrolled families using subsidized child care.

(d) The Mayor shall:

(1) Develop a grant application form specific to the Infant and Toddler Facilities
Grant Program that shall require the minimum information and documentation necessary to
determine eligibility for the program;

(2) Provide written notification to an applicant of approval or denial of a grant
application within 60 days after receipt of a completed application, and if denied, include the
reason for the denial and the process for reconsideration;
(3) Ensure that only fully licensed, certified contractors perform work authorized by the Program; and

(4) Within 180 days of the effective date of this act, issue rules to implement the provisions of this title, pursuant to Title I of the District of Columbia Administrative Procurement Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code §2-501 et. seq.).

TITLE VII. FISCAL IMPACT STATEMENT; EFFECTIVE DATE.

Sec. 701. Fiscal Impact Statement.


Sec. 702. Effective Date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in sections 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.