## PROPOSED SUBSTITUTE HOUSE BILL

By Representative Senn

## Original bill: HB 2661

## Substitute bill compared to original bill:

- Revises the duties and membership of the Early Learning Advisory and Accountability Council to:
  - Provide guidance and recommendations to the governor and the legislature on phasing in early learning spending priorities as system capacity is developed and to ensure accountability that the early learning investments funded with the Fair Start for Kids Account are producing the intended results;
  - o Restore the member representing the Washington State Library Association;
  - Add one representative of a professional development organization for child care providers; and
  - o Add one pediatrician or expert on children's health.
- Prohibits the Department of Children, Youth, and Families (DCYF) from raising a
  household's Working Connections Child Care (WCCC) copayment during the
  household's 12-month child care authorization period.
- Clarifies that a household with any child age 5 or younger who is eligible for child care may be eligible for the higher maximum household income of 85% of the state median and adjusted copayments in WCCC.
- Requires the DCYF to consider a regional income measure, such as area median income, when developing the WCCC copayment model.
- Requires child care subsidy base rates at a Level 2 standard of quality to reach 75% of the private market rate rather than rates at a Level 3 standard of quality.
- Requires the DCYF to use the child care cost estimate model to set infant and toddler enhancement rates beginning in 2025.
- Makes technical changes to:
  - Reorganize and amend content related to the Health Benefits Exchange collaborating with the DCYF to conduct an outreach campaign to early learning providers to raise awareness of and enroll providers in coverage offered through the Washington Health Plan Finder.
  - o Change the effective date for the birth-to-three early ECEAP conforming amendment to 2026.
  - Amends codification instructions.
  - Revises findings and intent language.

Committee: Human Services and Early Learning Committee

Staff: Dawn Eychaner (786-7135), Office of Program Research

Draft: H-4273.1/20

AN ACT Relating to expanding accessible, affordable child care 1 2 and early childhood development programs; amending RCW 43.216.075, 43.216.512, 43.216.749, 3 43.31.577, 43.216.505, 43.216.514, 43.216.578, 43.216.710, 28B.50.248, 43.31.583, 43.31.575, 43.216.089, 4 43.216.525, and 43.216.655; reenacting and amending RCW 43.216.135, 5 43.216.010, and 43.84.092; adding a new section to chapter 43.31 RCW; 6 7 adding a new section to chapter 43.71 RCW; adding a new section to 8 chapter 43.330 RCW; adding new sections to chapter 43.216 RCW; creating new sections; providing effective dates; and providing an 9 10 expiration date.

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

12 PART I
13 LEGISLATIVE INTENT

NEW SECTION. Sec. 101. This act may be known and cited as the fair start for kids act.

NEW SECTION. Sec. 102. (1) The legislature finds that high quality child care and early learning is critical to a child's success in school and life. Access to quality child care and early learning programs is essential to family stability and economic Code Rev/CL:akl

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vitality. The legislature recognizes that every child and every family deserves access to a fair and equitable start.

- (2) The legislature finds that while Washington has built the foundation for high quality early childhood programs through the early start act and the early achievers quality rating and improvement system, child care remains too expensive and too scarce for many families in Washington, especially those furthest from opportunity. The legislature recognizes that there are additional barriers to accessing this foundational support in rural communities and other places with child care deserts, as well as for immigrant families and communities whose first language is not English.
- (3) The legislature finds that without access to comprehensive, quality prenatal to five services, children often enter kindergarten without the social-emotional, physical, cognitive, and language skills they need to be successful and fall behind their peers, facing compounding developmental challenges throughout their K-12 education. The cascading impacts of inaccessible child care and early learning programs create systemic barriers for children and their families that result in higher special education needs, greater likelihood of needing to repeat grades, increased child welfare and juvenile justice involvement, reduced high school graduation rates, limited postsecondary education attainment, and greater barriers to employment in adulthood. The legislature recognizes that high quality child care and early learning programs have been shown to reduce the opportunity gap for low-income children and children of color while consistently improving outcomes for all children both inside and outside of the classroom.
- (4) The legislature finds that an affordable, accessible system of high quality child care is necessary to the health of Washington's economy because employers benefit when parents have safe, stable, and appropriate care for their children. Too many working parents are forced to reduce their hours, decline promotional opportunities, or leave the workforce due to a lack of access to child care. The legislature recognizes that the department of commerce recently reported that child care related issues cost Washington businesses more than two billion dollars in 2017. The legislature finds that access to affordable child care increases labor force participation and supports regional economic growth.
- (5) The legislature finds the vast majority of child care providers are small businesses and nonprofits. In addition to Code Rev/CL:akl

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adhering to federal, state, and local regulations to ensure healthy and safe environments for children, the legislature recognizes that child care providers must take steps to guarantee their employees are adequately compensated and businesses are sustainable.

- (6) The legislature finds that the health and stability of the early learning workforce is pivotal to any expansion of child care in Washington. The legislature recognizes the current workforce is expected to provide developmentally appropriate and high quality care during the most active period of brain development in a child, despite often lacking stable pay and health or retirement benefits.
- (7) The legislature finds that our state is best served by a culturally and linguistically diverse workforce that supports the unique and individualized values, strengths, cultures, and potential of each child and family. The legislature recognizes there are barriers to access to systems of support for both families and early learning providers whose first language is not English.
- (8) The legislature further finds that dual language learners represent a significant and growing share of children birth to five in Washington. The legislature recognizes that studies suggest specific dual language programs are especially beneficial for developing the building blocks for early literacy, numeracy skills, and English language development for dual language learners.
- (9) The legislature finds that children are expelled from child care and preschool thirteen times as often as children in the K-12 system and that children of color are disproportionately expelled at even higher rates. The legislature recognizes this is due to a systemic failure to adequately equip all providers with the resources they need to meet the needs of children who have experienced trauma or have developmental delays or other complex needs. In addition, early learning providers can experience secondary trauma caused by the emotional stress of caring for children with complex needs.
- (10) The legislature further finds that capital funding for the planning, building, expansion, and renovation of child care facilities through the early learning facilities fund grant and loan program is necessary to any expansion of affordable child care. The legislature recognizes that rural and distressed communities face particular challenges in accessing physical child care capacity resulting in child care deserts.
- 39 (11) The legislature finds that in order to strengthen early 40 childhood development and improve kindergarten readiness outcomes, Code Rev/CL:akl 3 H-4273.1/20

the need for access to early childhood programs goes beyond child care. Services for families, infants, and young children age three and under are in short supply. Too many family members caring for children feel isolated, lack access to parent education and childhood development training, and do not receive critical interventions for infants and toddlers who are experiencing trauma, developmental delays, or a general lack of stability.

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- (12) The legislature recognizes parents as a child's first teachers who deserve access to a comprehensive suite of services designed to best support them as they care for an infant or young child. The legislature recognizes parent choice as a core value in developing this array of services, as every family experiences different circumstances and challenges as they nurture children.
- (13) Therefore, the legislature resolves to expand access to a comprehensive continuum of high quality early childhood development programs, including prenatal to three services, child care, preschool, and parent and family supports. The legislature recognizes this continuum as critical to offering every child in Washington access to a fair start.
- (14) The legislature intends to expand eligibility for existing child care and preschool programs and mitigate the child care subsidy cliff by reducing child care copayments for low-income families with young children.
- (15) The legislature further intends to stabilize and support the diverse early learning workforce by funding adequate compensation and benefits while providing appropriate training, mental health consultation, shared business services, and a variety of other supports that recognize the critical role that early learning providers serve for all Washington children. The legislature further intends to promote learning environments that meet children's needs and provide financial support for the early achievers program, including smaller provider-coach ratios and education scholarships for providers. Specialized workforce training and therapeutic child care will increase the quality and availability of services for children experiencing trauma, developmental delays, and complex needs. In addition, the creation of early childhood equity grants will help support dual language and culturally relevant programs that serve diverse communities, particularly those who have experienced profound historical trauma.

- 1 (16) The legislature further intends to significantly expand 2 child care availability by investing in building, expanding, and 3 renovating early learning and child care facilities.
  - (17) The legislature further intends to expand a tiered array of prenatal to three services that are available to all families in Washington, honoring the value of parental choice and the role family, friends, and neighbors often play in a young child's life.
  - (18) Recognizing the direct role that businesses can play in expanding access to child care, the legislature intends to offer technical assistance to employers seeking to offer child care or family-friendly policies that promote early childhood development and family economic security.
- 13 (19) The legislature intends to align early learning services and 14 programs into a high quality continuum of care and education to 15 provide every child in Washington a fair start.

## 16 PART II

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#### 17 ACCOUNTS AND OVERSIGHT

- NEW SECTION. Sec. 201. (1) The fair start for kids account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the purposes described in this section.
  - (2) The legislature shall consider recommendations for funding allocations as made by the early learning advisory and accountability council pursuant to RCW 43.216.075 when appropriating moneys from the account. The legislature shall appropriate moneys from the account as follows:
- 27 (a) Fifty-five percent to support child care access and affordability, pursuant to sections 301 and 303 through 307 of this 29 act;
- 30 (b) Thirty-five percent to increase and sustain child care supply 31 and the early learning workforce, pursuant to sections 207 and 308 32 through 316 of this act; and
- 33 (c) Ten percent to support children from prenatal to age three 34 and their parents and caregivers, pursuant to sections 317 through 35 320 of this act.
- 36 (3) Each year, in January, April, July, and October, the 37 treasurer shall transfer five percent of revenue deposited into the

- fair start for kids account during the previous quarter to the early learning facilities revolving account established in RCW 43.31.569.
- (4) Every odd-numbered year on June 30th, the treasurer shall transfer ten million dollars from the fair start for kids account to the early learning health care expansion account established in section 205 of this act. It is the intent of the legislature to continue this funding until a health care funding plan for all child care providers is adopted by the legislature.
- **Sec. 202.** RCW 43.216.075 and 2017 c 171 s 1 are each amended to 10 read as follows:
  - (1) The early learning advisory and accountability council is established to advise the department, the governor, and the legislature on statewide early learning issues that contribute to the ongoing efforts of building a comprehensive system of quality early learning programs and services for Washington's young children and families.
  - (2) The council shall work in conjunction with the department to assist in policy development and implementation that assist the department in promoting alignment of private and public sector actions, objectives, and resources, thereby ensuring school readiness, social-emotional skill development, advancement of racial equity, and strengthened families.
    - (3) The council shall:

- (a) Provide guidance and recommendations to the governor and the legislature on phasing in early learning spending priorities as system capacity is developed; and
- (b) Ensure accountability that the early learning investments funded with the fair start for kids account are producing the intended results.
- (4) The council shall include diverse, statewide representation from public, nonprofit, and for-profit entities. Its membership shall include critical partners in service delivery and reflect regional, racial, and cultural diversity to adequately represent the needs of all children and families in the state.
- ((\(\frac{(4)}{)}\)) (5) Councilmembers shall serve two-year terms((\(\frac{.}{\text{However,}}\)

  to stagger the terms of the council, the initial appointments for

  twelve of the members shall be for one year. Once the initial one
  year to two-year terms expire, all subsequent terms shall be for two

  years)), with the terms expiring on June 30th of the applicable year.

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- The terms shall be staggered in such a way that, where possible, the terms of members representing a specific group do not expire simultaneously.
- $((\frac{5}{5}))$  (6) The council shall consist of members essential to coordinating services statewide prenatal through age five, as follows:

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- (a) In addition to being staffed and supported by the department, the governor shall appoint one representative from each of the following: The department of health, the student achievement council, the department of commerce, the office of financial management, and the state board for community and technical colleges;
- (b) One representative from the office of the superintendent of public instruction, to be appointed by the superintendent of public instruction;
- (c) The governor shall appoint leaders in early childhood education to represent critical service delivery and support sectors, with at least one individual representing each of the following:
- (i) The head start state collaboration office director or the director's designee;
- 20 (ii) A representative of a head start, early head start, or 21 migrant/seasonal head start program;
- 22 (iii) A representative of ((a local education agency)) and 23 educational service district;
  - (iv) A representative of the ((state agency responsible for programs under section 619 or)) department's early support for infants and toddlers program as established under part C of the federal individuals with disabilities education act;
- 28 (v) A representative of the early childhood education and 29 assistance program;
  - (vi) A representative of licensed family day care providers;
  - (vii) A representative of child day care centers; and
- (viii) A representative from the home visiting advisory committee established in RCW ((43.215.130)) 43.216.130;
- 34 (d) Two members of the house of representatives, one from each caucus, to be appointed by the speaker of the house of representatives and two members of the senate, one from each caucus, to be appointed by the majority leader in the senate and the minority leader in the senate;
- 39 (e) Two parents, one of whom serves on the department's parent 40 advisory group, to be appointed by the governor;

- 1 (f) One representative of ((the private-public partnership 2 created in RCW 43.215.070, to be appointed by the partnership board)) 3 a private philanthropic organization;
  - (g) One representative from the developmental disabilities community;
- 6 (h) Two representatives from early learning regional coalitions.
  7 One early learning regional coalition member must represent a rural
  8 or distressed community;
  - (i) One infant mental health specialist;

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- 10 <u>(j) One representative of a statewide association representing</u>
  11 business interests;
- 12 <u>(k) One representative of a business offering employer-supported</u>
  13 <u>child care;</u>
- 14 <u>(1) One representative of the statewide child care resource and</u> 15 <u>referral organization;</u>
- 16 <u>(m)</u> Representatives of underserved communities who have a special 17 expertise or interest in high quality early learning, one to be 18 appointed by each of the following commissions:
- 19 (i) The Washington state commission on Asian Pacific American 20 affairs;
- 21 (ii) The Washington state commission on African American affairs; 22 and
  - (iii) The Washington state commission on Hispanic affairs;
- 24 ((<del>(j)</del>)) <u>(n)</u> Two representatives designated by sovereign tribal governments, one of whom must be a representative of a tribal early childhood education assistance program or head start program;
- 27  $((\frac{k}{n}))$  One representative from the Washington federation of independent schools;
- 29  $((\frac{1}{1}))$  One representative from the Washington library 30 association;  $(\frac{1}{1})$
- 31  $\frac{\text{(m)}}{\text{(m)}}$ ) One representative from a statewide advocacy coalition 32 of organizations that focuses on early learning:
- 33 <u>(r) One representative from the office of equity created by</u>
  34 <u>chapter . . . (House Bill No. 1783 or Senate Bill No. 5776), Laws of</u>
  35 <u>2020;</u>
- 36 <u>(s) One representative from the women's commission established</u>
  37 <u>under chapter 43.119 RCW;</u>
- 38 <u>(t) One representative of a statewide organization representing</u> 39 <u>the interests of family day care providers;</u>

- 1 <u>(u) One representative of a professional development organization</u> 2 <u>for child care providers; and</u>
  - (v) One pediatrician or expert on children's health.

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- ((+6))) (7) The council shall be cochaired by two members, to be elected by the council for two-year terms and not more than one cochair may represent a state agency.
- ((<del>(7)</del> The council shall appoint two members and stakeholders with expertise in early learning to sit on the technical working group created in section 2, chapter 234, Laws of 2010.))
- (8) Each member of the (( $\frac{board}{}$ )) <u>council</u> shall be compensated in accordance with RCW 43.03.240 and reimbursed for travel expenses incurred in carrying out the duties of the (( $\frac{board}{}$ )) <u>council</u> in accordance with RCW 43.03.050 and 43.03.060.
- (9) (a) The council shall convene an early achievers review subcommittee to provide feedback and guidance on strategies to improve the quality of instruction and environment for early learning and provide input and recommendations on the implementation and refinement of the early achievers program. The review conducted by the subcommittee shall be a part of the annual progress report required in RCW ((43.215.102)) 43.216.089. At a minimum the review shall address the following:
  - (i) Adequacy of data collection procedures;
  - (ii) Coaching and technical assistance standards;
- (iii) Progress in reducing barriers to participation for lowincome providers and providers from diverse cultural backgrounds, including a review of the early achievers program's rating tools, quality standard areas, and components, and how they are applied;
- (iv) Strategies in response to data on the effectiveness of early achievers program standards in relation to providers and children from diverse cultural backgrounds, including recommendations for adjusting standards and ratings to ensure equitable representation of programs that provide culturally or linguistically unique programs;
  - (v) Status of the life circumstance exemption protocols; and
  - (vi) Analysis of early achievers program data trends.
- (b) The subcommittee must include consideration of cultural linguistic responsiveness when analyzing the areas for review required by (a) of this subsection.
- 38 (c) The subcommittee shall include representatives from child 39 care centers, family child care, the early childhood education and 40 assistance program, contractors for early achievers program technical Code Rev/CL:akl 9 H-4273.1/20

- assistance and coaching, tribal governments, the organization responsible for conducting early achievers program ratings, and parents of children participating in early learning programs, including working connections child care and early childhood education and assistance programs. The subcommittee shall include
- 7 (10)(a) The council shall establish additional subcommittees to 8 include:

representatives from diverse cultural and linguistic backgrounds.

(i) Child care access and affordability;

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- (ii) Child care supply and the early learning workforce;
  - (iii) Prenatal to age three supports; and
- 12 <u>(iv) Measurable outcomes and accountability.</u>
- 13 <u>(b) Based on the advice of the subcommittees described in this</u>
  14 <u>subsection, the council shall provide biennial budget</u>
  15 <u>recommendations, in collaboration with the department, to the</u>
  16 <u>governor and the legislature on how early learning priorities should</u>
  17 <u>be funded and supported within the allowed activities of the fair</u>
  18 start for kids account as established in section 201 of this act.
  - (11) At least once every five years, the council must survey providers and families to solicit feedback on the early learning programs and policies developed under this act. The survey must be made available in the three most commonly spoken languages in the state. Survey results must be incorporated into the council recommendations provided pursuant to subsection (9) of this section.
- 25 (12) The department shall provide staff support to the council.
- NEW SECTION. Sec. 203. (1) Beginning July 1, 2022, and subject 26 27 to the availability of amounts appropriated for this specific purpose, rates established under sections 309, 310, 312, and 319 of 28 29 this act must be adjusted annually according to an inflationary 30 increase. The inflationary increase must be calculated by applying 31 the rate of the yearly increase in the inflationary adjustment index to the rates established in sections 309, 310, 312, and 319 of this 32 act. Any funded inflationary increase must be included in the rate 33 used to determine inflationary increases in subsequent years. For the 34 purposes of this section, "inflationary adjustment index" means the 35 implicit price deflator for that fiscal year, using the official 36 37 current base rate, compiled by the bureau of economic analysis, 38 United States department of commerce.

- 1 (2) Inflationary adjustments made pursuant to this section must 2 continue until child care subsidy rates are sufficient to compensate 3 providers for the full costs of providing high quality child care, as 4 estimated in the child care cost estimate model developed under RCW 5 43.330.527.
- NEW SECTION. Sec. 204. The legislature recognizes the 6 importance of health care coverage to the stability and well-being of 7 the early learning workforce. Therefore, it is the intent of the 8 legislature to expand access to health care for family day care; 9 child day care center; family, friend, and neighbor; and early 10 childhood education and assistance program providers across the state 11 consultation with 12 ongoing research efforts, including 13 recommendations from the child care collaborative task force as established in RCW 43.330.527. 14
- 15 NEW SECTION. Sec. 205. The early learning health care expansion account is created in the state treasury. Revenues to the account 16 shall consist of appropriations, including transfers from the fair 17 start for kids account established in section 201 of this act. Moneys 18 19 from the account may be spent only after appropriation. Expenditures from the account may be used only for the purposes of increasing the 20 21 number of family day care providers as defined in RCW 43.216.010 who receive health care benefits. 22
- NEW SECTION. Sec. 206. (1) In order to expand the supply of critically needed after hours care to meet the needs of parents and caregivers and a round-the-clock economy, the department of children, youth, and families must develop a rate model for nonstandard child care hours and submit the model to the governor and the legislature by October 1, 2021.
  - (2) This section expires June 30, 2023.

- NEW SECTION. Sec. 207. A new section is added to chapter 43.31 RCW to read as follows:
- 32 (1) Subject to the availability of amounts appropriated for this specific purpose, the department shall award start-up grants from the early learning facilities grant and loan program to eligible organizations as described in RCW 43.31.575 who provide the early childhood education and assistance program or working connections Code Rev/CL:akl

child care. To be eligible, the organization must commit to being an active participant in good standing with the early achievers program. Start-up grants are limited to one grant per location per eligible organization. After receiving a start-up grant for a particular location an organization is not eligible for any additional start-up

grants for that location under this section.

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- (2) Start-up grant funds must be used for one-time start-up costs associated with the start-up of a new child care or early childhood education and assistance program site. Eligible uses of grant funds include the purchase of equipment, supplies, fixtures and furnishings, dual language programming, and the cost of other goods and services associated with operations that are necessary to meet foundational quality standards for early learning programs as established by the department of children, youth, and families.
- 15 (3) The department shall adopt rules to implement this section.
  16 When developing rules for start-up grants, the department must
  17 consider using the child care cost estimate model developed pursuant
  18 to RCW 43.330.527 to inform the start-up grant parameters.
- 19 **Sec. 208.** RCW 43.31.577 and 2017 3rd sp.s. c 12 s 8 are each 20 amended to read as follows:
  - (1) Activities eligible for funding through the early learning facilities grant and loan program for eligible organizations include:
  - (a) Facility predesign grants or loans of no more than ten thousand dollars to allow eligible organizations to secure professional services or consult with organizations certified by the community development financial institutions fund to plan for and assess the feasibility of early learning facilities projects or receive other technical assistance to design and develop projects for construction funding;
- 30 (b) Grants or loans of no more than one hundred thousand dollars 31 for minor renovations or repairs of existing early learning 32 facilities; ((and))
- 33 (c) Major construction and renovation grants or loans and grants 34 or loans for facility purchases of no more than ((eight hundred 35 thousand)) one million dollars to create or expand early learning 36 facilities;
  - (d) Start-up grants under section 207 of this act; and

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- 1 (e) Grants of up to one million dollars to local governments for 2 public infrastructure improvements necessary to support major 3 construction, renovation, or purchases of early learning facilities.
- (i) For the purposes of this subsection, "public infrastructure improvements" include costs associated with design, construction, permitting, and connections for water, sewer, stormwater, sidewalk, and other infrastructure systems as determined by the department.
  - (ii) Local governments eligible for grants under this subsection (1) (e) are cities, towns, counties, special purpose districts, school districts, and any other municipal corporation in the state.
  - (2) Activities eligible for funding through the early learning facilities grant and loan program for school districts include major construction, purchase, and renovation grants or loans of no more than ((eight hundred thousand)) one million dollars to create or expand early learning facilities that received priority and ranking as described in RCW 43.31.581.
- (3) ((Beginning July 1, 2018, amounts)) Amounts in this section must be increased annually by the United States implicit price deflator for state and local government construction provided by the office of financial management.
- NEW SECTION. Sec. 209. A new section is added to chapter 43.71
  RCW to read as follows:
  - (1) The exchange, in collaboration with the department of children, youth, and families, shall conduct an outreach campaign to child day care center providers, family day care providers, and early childhood education and assistance program contractors and providers to raise awareness of and enroll providers in coverage offered through the Washington health plan finder.
  - (2) By June 30, 2024, the exchange and the department of children, youth, and families must jointly report to the legislature on the results of the outreach campaign, including findings related to access barriers for this population. The report must include recommendations designed to inform the implementation of the cost of the child care cost estimate model developed under RCW 43.330.527.

35 PART III

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36 EARLY LEARNING POLICIES

37 **1. SUPPORTING CHILD CARE ACCESS AND AFFORDABILITY**38 **Working Connections Child Care** 

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- 1 <u>NEW SECTION.</u> **Sec. 301.** (1) The department shall establish and 2 implement policies in the working connections child care program to promote stability and quality of care for children from low-income 3 households. These policies shall focus on supporting: (a) School 4 readiness for young learners; (b) lifelong social-emotional skills; 5 6 and (c) the stability of asset-limited, income-constrained families. 7 Policies for the expenditure of funds constituting the working connections child care program must be consistent with the outcome 8 measures established by the department and the standards established 9 in this section intended to promote stability, quality, 10 11 continuity of early learning.
  - (2) As recommended by P.L. 113-186, authorizations for the working connections child care subsidy are effective for twelve months. The department may not raise a household copayment during the twelve-month authorization period.
  - (3) (a) The department shall establish and implement policies in the working connections child care program to allow eligibility for families with children who:
    - (i) In the last six months have:

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- 20 (A) Received child protective services as defined and used by chapters 26.44 and 74.13 RCW;
  - (B) Received child welfare services as defined and used by chapter 74.13 RCW; or
  - (C) Received services through a family assessment response as defined and used by chapter 26.44 RCW;
  - (ii) Have been referred for child care as part of the family's case management as defined by RCW 74.13.020; and
    - (iii) Are residing with a biological parent or guardian.
  - (b) Families who are eligible for working connections child care pursuant to this subsection do not have to keep receiving services identified in this subsection to maintain twelve-month authorization.
  - (4) (a) Beginning August 1, 2020, the department may not require an applicant or consumer to meet work requirements as a condition of receiving working connections child care benefits when the applicant or consumer is:
- 36 (i) A full-time student of a community, technical, or tribal 37 college; and
- 38 (ii) Pursuing vocational education that leads to a degree or 39 certificate in a specific occupation, not to result in a bachelor's 40 or advanced degree.

(b) An applicant or consumer is a full-time student for the purposes of this subsection if he or she meets the college's definition of a full-time student. The student must maintain passing grades and be in good standing pursuant to college attendance requirements.

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- 6 (c) Nothing in this subsection is intended to change how 7 applicants or consumers are prioritized when applicants or consumers 8 are placed on a wait list for working connections child care 9 benefits.
- 10 (5) For the purposes of sections 301 through 303 of this act,
  11 "homeless" means without a fixed, regular, and adequate nighttime
  12 residence as described in the federal McKinney-Vento homeless
  13 assistance act (42 U.S.C., Chapter 119, Subchapter VI, Part B) as it
  14 existed on January 1, 2020.
- 15 **Sec. 302.** RCW 43.216.135 and 2019 c 406 s 70 and 2019 c 369 s 4 are each reenacted and amended to read as follows:
  - (1) ((The department shall establish and implement policies in the working connections child care program to promote stability and quality of care for children from low-income households. These policies shall focus on supporting school readiness for young learners. Policies for the expenditure of funds constituting the working connections child care program must be consistent with the outcome measures established by the department and the standards established in this section intended to promote stability, quality, and continuity of early care and education programming.
  - (2) As recommended by Public Law 113-186, authorizations for the working connections child care subsidy shall be effective for twelve months beginning July 1, 2016, unless an earlier date is provided in the omnibus appropriations act.
  - (3))) Existing child care providers serving nonschool-age children and receiving state subsidy payments must complete the following requirements to be eligible for a state subsidy under this section:
    - (a) Enroll in the early achievers program by August 1, 2016;
- 35 (b) Complete level 2 activities in the early achievers program by 36 August 1, 2017; and
- 37 (c) Rate or request to be rated at a level 3 or higher in the 38 early achievers program by December 31, 2019. If a child care 39 provider does not rate at or request to be rated at a level 3 by Code Rev/CL:akl

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December 31, 2019, the provider is no longer eligible to receive state subsidy. If the provider rates below a level 3 when the rating is released, the provider must complete remedial activities with the department, and must rate at or request to be rated at a level 3 or higher no later than December 30, 2020.

- ((4))) (2) A new child care provider serving nonschool-age children and receiving state subsidy payments must complete the following activities to be eligible to receive a state subsidy under this section:
- 10 (a) Enroll in the early achievers program within thirty days of 11 receiving the initial state subsidy payment;
  - (b) Complete level 2 activities in the early achievers program within twelve months of enrollment; and
  - (c) Rate or request to be rated at a level 3 or higher in the early achievers program within thirty months of enrollment. If a child care provider does not rate or request to be rated at a level 3 within thirty months from enrollment into the early achievers program, the provider is no longer eligible to receive state subsidy. If the provider rates below a level 3 when the rating is released, the provider must complete remedial activities with the department, and rate or request to be rated at a level 3 or higher within twelve months of beginning remedial activities.
  - (((5))) (3) If a child care provider does not rate or request to be rated at a level 3 or higher following the remedial period, the provider is no longer eligible to receive state subsidy under this section. If a child care provider does not rate at a level 3 or higher when the rating is released following the remedial period, the provider is no longer eligible to receive state subsidy under this section.
  - ((<del>(6)</del>)) <u>(4)</u> If a child care provider serving nonschool-age children and receiving state subsidy payments has successfully completed all level 2 activities and is waiting to be rated by the deadline provided in this section, the provider may continue to receive a state subsidy pending the successful completion of the level 3 rating activity.
- $((\frac{(7)}{(7)}))$  (5) The department shall implement tiered reimbursement for early achievers program participants in the working connections child care program rating at level 3, 4, or 5.

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- ((+8)) (6) The department shall account for a child care copayment collected by the provider from the family for each contracted slot and establish the copayment fee by rule.
  - ((<del>9)</del> (a) The department shall establish and implement policies in the working connections child care program to allow eligibility for families with children who:
    - (i) In the last six months have:

- 8 (A) Received child protective services as defined and used by chapters 26.44 and 74.13 RCW;
  - (B) Received child welfare services as defined and used by chapter 74.13 RCW; or
- 12 (C) Received services through a family assessment response as 13 defined and used by chapter 26.44 RCW;
  - (ii) Have been referred for child care as part of the family's case management as defined by RCW 74.13.020; and
    - (iii) Are residing with a biological parent or guardian.
  - (b) Children who are eligible for working connections child care pursuant to this subsection do not have to keep receiving services identified in this subsection to maintain twelve-month authorization. The department of social and health services' involvement with the family referred for working connections child care ends when the family's child protective services, child welfare services, or family assessment response case is closed.
  - (10) (a) Beginning August 1, 2020, the department may not require an applicant or consumer to meet work requirements as a condition of receiving working connections child care benefits when the applicant or consumer is:
    - (i) A single parent;
- 29 (ii) A full-time student of a community, technical, or tribal 30 college; and
  - (iii) Pursuing vocational education that leads to a degree or certificate in a specific occupation, not to result in a bachelor's or advanced degree.
  - (b) An applicant or consumer is a full-time student for the purposes of this subsection if he or she meets the college's definition of a full-time student. The student must maintain passing grades and be in good standing pursuant to college attendance requirements.
- (c) Nothing in this subsection is intended to change how applicants or consumers are prioritized when applicants or consumers

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- 1 are placed on a wait list for working connections child care
- 2 benefits.))

- NEW SECTION. Sec. 303. (1)(a) It is the intent of the legislature to increase working families' access to affordable, high quality child care and to support the expansion of the workforce to support businesses and the economy statewide.
  - (b) Beginning July 1, 2022, and subject to the availability of amounts appropriated for this specific purpose, a household is eligible for working connections child care if any child in the household eligible for care is nonschool age, the household's annual household income is at or below eighty-five percent of the state median income adjusted for family size, and the household meets all other program eligibility requirements.
  - (2) The department must calculate a monthly copayment for a household with a nonschool age child eligible under this section according to the following schedule:
  - (a) If the household's annual income is at or below thirty-six percent of the state median income, then the household shall have no copayment.
  - (b) If the household's annual income is above thirty-six percent of the state median income and at or below fifty percent of the state median income, then the household copayment shall be fifteen dollars per month.
  - (c) If the household's annual income is above fifty percent of the state median income and at or below sixty-five percent of the state median income, then the household copayment shall be one hundred fifty dollars per month.
  - (3) The department shall develop a copayment model based on available revenue for households with annual incomes above sixty-five percent of the state median income and at or below eighty-five percent of the state median income. The model must calculate a copayment for each household that is no greater than fifteen percent of countable household income for households within this income range. The department must consider expanding the model to include a regional income measure, such as area median income, that reflects the true costs of living in different regions of the state. The department must submit the model and a corresponding implementation plan to the governor and the legislature by October 1, 2021.
- 39 (4) The department must adopt rules to implement this section.

1 (5) With the exception of subsection (2) of this section, nothing 2 in this section requires changes to program eligibility and 3 copayments adopted by the department in rule for school age children 4 in the working connections child care program.

### Early Childhood Education and Assistance Program

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<u>NEW SECTION.</u> **Sec. 304.** The legislature finds that eligibility 6 guidelines for the national school lunch program require free meals 7 for children with household incomes at or below one hundred thirty 8 percent of the federal poverty level and that this income level is 9 approximately equivalent to thirty-six percent of the state median 10 income for a household of three. Therefore, the legislature intends 11 to raise the maximum household income for children entitled to enroll 12 in the early childhood education and assistance program to thirty-six 13 14 percent of the state median income beginning July 1, 2026. It is the 15 intent of the legislature to standardize income eligibility levels for assistance programs in order to help families and social workers 16 17 better understand the benefits for which families qualify and to simplify and align state systems wherever feasible. 18

19 **Sec. 305.** RCW 43.216.505 and 2019 c 408 s 2 are each amended to 20 read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 43.216.500 through 43.216.559, 43.216.900, and 43.216.901.

- 24 (1) "Advisory committee" means the advisory committee under RCW 25 43.216.520.
  - (2) "Approved programs" means those state-supported education and special assistance programs which are recognized by the department as meeting the minimum program rules adopted by the department to qualify under RCW 43.216.500 through 43.216.550, 43.216.900, and 43.216.901 and are designated as eligible for funding by the department under RCW 43.216.530 and 43.216.540.
- 32 (3) "Comprehensive" means an assistance program that focuses on 33 the needs of the child and includes education, health, and family 34 support services.
- 35 (4) "Eligible child" means a three to five-year old child who is 36 not age-eligible for kindergarten, is not a participant in a federal 37 or state program providing comprehensive services, and who:

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- 1 (a) Has a ((family)) household income at or below ((one hundred ten)) thirty-six percent of the ((federal poverty level, as published annually by the federal department of health and human services)) state median income adjusted for household size;
  - (b) <u>Is experiencing homelessness;</u>

- 6 (c) Has participated in early head start, the early support for
  7 infants and toddlers, or the birth to three early childhood education
  8 and assistance pilot project;
- 9 <u>(d)</u> Is eligible for special education due to disability under RCW 28A.155.020; or
- ((<del>(c)</del>)) <u>(e)</u> Meets criteria under rules adopted by the department if the number of such children equals not more than ten percent of the total enrollment in the early childhood program. Preference for enrollment in this group shall be given to children from families with the lowest income, children in foster care, or to eligible children from families with multiple needs.
- 17 (5) "Family support services" means providing opportunities for 18 parents to:
- 19 (a) Actively participate in their child's early childhood 20 program;
- 21 (b) Increase their knowledge of child development and parenting 22 skills:
  - (c) Further their education and training;
- 24 (d) Increase their ability to use needed services in the 25 community;
- 26 (e) Increase their self-reliance.
- 27 (6) "Experiencing homelessness" means a child without a fixed,
  28 regular, and adequate nighttime residence as described in the federal
  29 McKinney-Vento homeless assistance act (42 U.S.C., Chapter 119,
  30 Subchapter VI, Part B) as it existed on January 1, 2020.
- 31 **Sec. 306.** RCW 43.216.512 and 2019 c 409 s 2 are each amended to read as follows:
- 33 (1) The department shall adopt rules that allow the enrollment of children in the early childhood education and assistance program, as space is available if the number of such children equals not more than twenty-five percent of total statewide enrollment, whose family income is((÷
- 38 (a) Above one hundred ten percent but less than or equal to one 39 hundred thirty percent of the federal poverty level; or

- (b) Above one hundred thirty percent but less than or equal to two hundred percent of the federal poverty level if)) above thirty-six percent but less than or equal to fifty-five percent of the state median income adjusted for household size and the child meets at least one of the risk factor criterion described in subsection (2) of this section.
  - (2) Children enrolled in the early childhood education and assistance program pursuant to ((subsection (1)(b) of)) this section must be prioritized for available funded slots according to a prioritization system adopted in rule by the department that considers risk factors that have a disproportionate effect on kindergarten readiness and school performance, including:
- 13 (a) Family income as a percent of the ((<del>federal poverty level</del>))
  14 <u>state median income</u>;
  - (b) Homelessness;

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- (c) Child welfare system involvement;
- 17 (d) Developmental delay or disability that does not meet the 18 eligibility criteria for special education described in RCW 19 28A.155.020;
  - (e) Domestic violence;
    - (f) English as a second language;
    - (g) Expulsion from an early learning setting;
- 23 (h) A parent who is incarcerated;
- 24 (i) A parent with a substance use disorder or mental health 25 treatment need; and
- 26 (j) Other risk factors determined by the department to be linked 27 by research to school performance.
  - (3) The department shall adopt rules that allow a child to enroll in the early childhood education and assistance program, as space is available, when the child is not eligible under RCW 43.216.505 and the child turns three years old at any time during the school year when the child:
- 33 (a) Has a family income at or below ((two hundred)) fifty-five 34 percent of the ((federal poverty level)) state median income or meets 35 at least one risk factor criterion adopted by the department in rule; 36 and
- 37 (b) Has received services from or participated in:
- 38 (i) The early support for infants and toddlers program;

- 1 (ii) The early head start or a successor federal program 2 providing comprehensive services for children from birth through two 3 years of age; or
  - (iii) The birth to three early childhood education and assistance program, if such a program is established.
- 6 (4) Children enrolled in the early childhood education and 7 assistance program under this section are not considered eligible 8 children as defined in RCW 43.216.505 and are not considered to be 9 part of the state-funded entitlement required in RCW 43.216.556.
- 10 **Sec. 307.** RCW 43.216.514 and 2019 c 408 s 7 are each amended to 11 read as follows:
- 12 (1) (a) The department shall prioritize children for enrollment in 13 the early childhood education and assistance program who are eligible 14 pursuant to RCW 43.216.505.
- 15 <u>(b) A child who is eligible at the time of enrollment in the</u> 16 <u>early childhood education and assistance program maintains his or her</u> 17 program eligibility until he or she begins kindergarten.
- (2) As space is available, children may be included in the early childhood education and assistance program pursuant to RCW 43.216.512. ((Priority within this group must be given first to children with incomes up to one hundred thirty percent of the federal poverty level.))

# 2. INCREASING AND SUSTAINING CHILD CARE SUPPLY AND THE EARLY LEARNING WORKFORCE

25 Subsidy Rates

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- 26 **Sec. 308.** RCW 43.216.749 and 2019 c 368 s 7 are each amended to read as follows:
- Subject to the availability of amounts appropriated for this specific purpose:
- (1) ((By)) Child care subsidy base rates for licensed family homes and child care centers shall achieve at least the seventy-fifth percentile of the private market rate at a level 2 standard of quality until December 31, 2024; and
- 34 <u>(2) Beginning</u> January 1, 2025, the department ((<del>of children, youth, and families</del>)) must use the child care cost <u>estimate</u> model developed under RCW 43.330.527 to ((<del>determine child care subsidy rates.</del>

1 (2) This section expires January 30, 2025)) set child care
2 subsidy base rates at levels that are sufficient to compensate
3 providers for the full costs of providing high quality child care.

## Early Childhood Education and Assistance Program Rates

NEW SECTION. Sec. 309. Subject to the availability of amounts appropriated for this specific purpose, rates for the early childhood education and assistance program shall be established as follows:

- (1) For the 2022-23 school year, rates shall be set at a level at least ten percent higher than the rates established in chapter 415, Laws of 2019.
- (2) Beginning July 1, 2023, and subject to the availability of amounts appropriated for this specific purpose, rates shall be adjusted annually according to an inflationary increase as described in section 203 of this act. It is the intent of the legislature that rate increases shall be informed by the department's 2020 early childhood education and assistance program rate study.

#### Trauma Informed Designation for Complex Needs

NEW SECTION. Sec. 310. (1) Beginning July 1, 2022, and subject to the availability of amounts appropriated for this specific purpose, the department shall provide a complex needs subsidy rate enhancement for providers and contractors who are designated as a trauma-informed care provider in the early achievers program. It is the intent of the legislature to allow uses of rate enhancements to include the purchase of screening tools and assessment materials, trauma-informed professional development and training for providers and contractors, supportive services for children with complex needs that are offered as fee-for-service within local communities, and wage increases for individual staff who have an infant and early childhood mental health specialty credential.

(2) The complex needs rate enhancements under subsection (1) of this section shall be calculated by the department and must be awarded on a per-classroom basis. To qualify, a classroom may be an integrated environment serving children with complex needs alongside their peers or the classroom may exclusively serve children with complex needs. The department must provide a financial model for

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calculating the complex needs rate enhancements to the governor and the legislature by October 1, 2021.

- (3) To the extent practicable, parties should consider in collective bargaining agreements, beginning in the 2021-2023 biennium, implementation of a rate structure similar to the provisions in this section.
- (4) Beginning July 1, 2023, and subject to the availability of amounts appropriated for this specific purpose, complex needs rate enhancements distributed pursuant to this section shall be adjusted annually as described in section 203 of this act.

## Early Childhood Equity Grants

- NEW SECTION. Sec. 311. (1) Subject to the availability of amounts appropriated for this specific purpose, the department shall provide early childhood equity grants to eligible applicants. The equity grants are intended to serve as a step toward expanding access to early learning statewide and transforming Washington's early learning system to make it more inclusive and equitable. Families of color deserve the option of a culturally and linguistically specific experience that might make the difference for their child's future success. The department shall administer the early childhood equity grants to support culturally and linguistically specific early learning and early childhood and parent support programs across the state.
  - (2) The department must conduct an equitable process to prioritize grant applications for early childhood equity grant assistance as described in subsection (1) of this section. An applicant must be in good standing with the early achievers quality rating and improvement system to be eligible to receive an early childhood equity grant. An eligible applicant may receive an early childhood equity grant once every two years.
- (3) When conducting the equitable grant process pursuant to subsection (2) of this section, the department must:
- (a) Solicit project applications from a racially and geographically diverse pool of eligible applicants statewide;
- 35 (b) Provide application materials in the top three spoken 36 languages in the state and broadly communicate using a variety of 37 strategies to reach diverse communities;

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(c) Require applicants to demonstrate their proposed uses of early childhood equity grant funds to incorporate culturally and linguistically supportive and relevant practices into early learning program design, delivery, education, training, and evaluation; and

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- (d) Evaluate and rank applications in consultation with an advisory committee focused on racial equity, diversity, and inclusion in early learning that includes representation by members from diverse communities. Applications must be ranked and prioritized according to the following criteria:
- 10 (i) Proposed uses of the early childhood equity grant funds, 11 including how funds will be used to support cultural and linguistic 12 diversity;
  - (ii) The number of children receiving state subsidy as a percentage of the applicant's overall enrollment population; and
  - (iii) Characteristics of the children served by the applicant, including the percentage of children from racial or ethnic groups that have historically experienced academic, health, or economic disparities.
  - (4) To be eligible for early childhood equity grant funds an applicant must describe how their program is culturally or linguistically specific and must have demonstrated experience of providing effective outreach, support, and resources to underserved children and their families.
  - (5) In years following the appropriation of state funding for early childhood equity grants in the prior fiscal year, the department must submit a brief status report by December 1st to the governor and the legislature describing the projects funded with early childhood equity grant funds and the populations served.
  - (6) The department may adopt rules to implement this section.

#### Dual Language Workforce and Designation

NEW SECTION. Sec. 312. (1) Beginning July 1, 2022, and subject 31 to the availability of amounts appropriated for this specific 32 purpose, the department shall establish a dual language designation 33 and provide a rate enhancement in the early achievers program for 34 child care providers and early childhood education and assistance 35 program contractors who are accepting state subsidy and caring for 36 children between the ages of birth and five years. To be eligible for 37 dual language rate enhancements, a provider must be an active 38 Code Rev/CL:akl 25 H-4273.1/20

- 1 participant in good standing with the early achievers program. It is
- 2 the intent of the legislature to allow uses of rate enhancements to
- 3 include the purchase of dual language and culturally appropriate
- 4 curricula and accompanying training programs, instructional
- 5 materials, professional development training, and increased wages for
- 6 individual staff who provide bilingual instruction.
- 7 (2) The department must consult with a stakeholder advisory group 8 to develop criteria for the dual language designation by September 1,
- 9 2021. The stakeholder group must include:

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- 10 (a) A representative of an organization of early learning 11 providers focused on preserving languages and culture by serving 12 immigrant and refugee communities;
  - (b) A representative of an early learning advocacy organization;
- 14 (c) A representative of an organization that advocates on behalf 15 of dual language learners and home language support programs;
- 16 (d) A representative of the statewide child care resource and referral network;
- 18 (e) A representative of the department's Indian policy early 19 learning committee;
- 20 (f) A representative of a statewide organization representing the 21 interests of early childhood education and assistance program 22 contractors; and
- 23 (g) A representative of a statewide organization representing the 24 interests of family day care providers.
  - (3) The department must provide a financial model for calculating the dual language rate enhancements under subsection (1) of this section to the governor and the legislature by October 1, 2021.
  - (4) By December 1st in years following distribution of early achievers dual language rate enhancements, the department must provide the following data to the legislature and the governor: (a) Languages spoken by rate enhancement recipients; (b) the number of rate enhancements distributed; and (c) the types of early intervention programs and services delivered by rate enhancement recipients.
- 35 (5) To the extent practicable, parties should consider in 36 collective bargaining agreements, beginning in the 2021-2023 37 biennium, implementation of a rate structure similar to the 38 provisions in this section.
- 39 (6) Beginning July 1, 2023, and subject to the availability of 40 amounts appropriated for this specific purpose, rate enhancements Code Rev/CL:akl 26 H-4273.1/20

- 1 established under this section shall be adjusted annually for
- 2 inflation as described in section 203 of this act.

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3 (7) The department may adopt rules to implement this section.

## Technical Assistance for Employer-Supported Child Care

5 <u>NEW SECTION.</u> **Sec. 313.** A new section is added to chapter 43.330 6 RCW to read as follows:

Subject to the availability of amounts appropriated for this specific purpose, the department shall collaborate with the department of children, youth, and families to provide or contract to provide remote or in-person technical assistance to employers interested in supporting their employees' access to high quality child care. Technical assistance may include, but is not limited to, quidance related to:

- 14 (1) Operating a licensed child care center at or near the 15 workplace for the benefit of employees;
  - (2) Financing and construction of a licensed child care center at or near the workplace for the benefit of employees;
- 18 (3) Providing financial assistance to employees for licensed or 19 certified child care expenses;
- 20 (4) Sponsoring dependent care flexible spending accounts for 21 employees; and
- 22 (5) Developing a "bring your infant to work" program and other 23 family-friendly work policies for employees.

#### 24 Mental Health Consultation

25 NEW SECTION. Sec. 314. (1) The legislature finds that mental health consultation for early learning providers is an effective 26 27 strategy for supporting children's social and emotional development. The legislature further finds that young children in Washington are 28 experiencing increasing levels of mental health needs and without a 29 properly supported early learning workforce these children face 30 higher rates of expulsion and are at risk of increasing developmental 31 delays continuing into the K-12 education system. The legislature 32 further recognizes that a mental health consultation system also 33 benefits early learning providers by reducing secondary trauma and 34 35 minimizing staff turnover in addition to improving providers' ability 36 to work with parents to address complex needs at home. Therefore, it Code Rev/CL:akl H-4273.1/2027

is the intent of the legislature to support a mental health consultation system that is available to early learning providers statewide.

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- (2) Subject to the availability of amounts appropriated for this specific purpose, the department shall provide mental health consultation services to early learning providers through shared services hubs as described in section 316 of this act.
- 8 (a) Mental health consultation services must be delivered in 9 coordination with the early achievers mental health coaching provided 10 under RCW 43.216.090.
- 11 (b) The department must provide supervisors for mental health 12 consultants to provide reflective supervision and overall 13 coordination of service delivery.
- 14 (c) As capacity allows, the department may provide access to 15 mental health consultation services to license-exempt family, friend, 16 and neighbor care providers.

## Training for Early Learning Providers

- NEW SECTION. Sec. 315. (1) Subject to the availability of amounts appropriated for this specific purpose, the department shall administer training grants for early learning providers that support providers in reaching the professional education and training standards promoted by the early achievers program. Moneys from the training grants must be used to augment existing early achievers scholarships available to providers and must be distributed to eligible providers as follows:
- (a) The department must use training grant moneys to provide or contract for:
- (i) Department-required trainings for early learning providers conducted by department-approved trainers;
- (ii) Trainings for license-exempt family, friend, and neighbor child care providers conducted by department-approved trainers; and
  - (iii) Early achievers scholarships.
- 33 (b)(i) The department may distribute supplemental training awards 34 to eligible providers as determined by the department.
- 35 (ii) Supplemental training awards may be used by eligible providers for qualified activities. Qualified activities may include, 37 but are not limited to, trainings delivered by department-approved trainers on topics such as small business management, providing care Code Rev/CL:akl 28 H-4273.1/20

- for children with developmental disabilities, infant and toddler care, dual language program development, and providing traumainformed care.
  - (2) For the purposes of this section, "eligible provider" means:

    (a) An employee or owner of a licensed or certified child care center accepting state subsidy; (b) an employee or owner of a licensed family home accepting state subsidy; (c) a contractor or provider of the early childhood education and assistance program; or (d) an early achievers coach.

#### 10 Shared Services for Child Care Providers

- NEW SECTION. Sec. 316. (1) Subject to the availability of amounts appropriated for this specific purpose, the department shall provide or contract to provide one or more shared services hubs that allow the ongoing pooling and shared use of comprehensive services, business services, and pedagogical leadership by licensed and certified child care centers and family homes. It is the intent of the legislature that shared services hubs will help support child care; provide one-stop shopping for easier, consolidated, and efficient service delivery; and bring together siloed service streams for early learning providers.
  - (a) Shared comprehensive services may include developmental and health screenings, mental health and nurse consultation, health advisory and parent policy councils, assessments for one-on-one behavioral support aides, and coordination with a local or statewide family linkage system that connects families with young children to appropriate community resources and services.
  - (b) Shared business services may include support with fee collection and financial management, human resources and payroll services, regional substitute pools, identification of translation and interpreter services, and business coaching and training.
  - (c) Shared pedagogical resources may include leadership development, reflective supervision for child care center administrators, curricula, and training for early achievers coaches.
- (2) Shared services hubs must be located in different geographic regions of the state and serve diverse demographic groups.
- 36 (3) By December 1, 2025, the department shall report to the governor and the legislature on the effectiveness of the service hub model in creating administrative efficiencies, realizing cost savings Code Rev/CL:akl

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- for child care providers and the department, increasing the responsiveness of providers to the needs of families, and building capacity for inclusive and trauma-informed services. The department must make recommendations for improvements or changes to the hub model and the expansion of the service hub model statewide.
- 6 (4) As funds are available, the department must expand 7 availability of shared services hubs around the state.

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#### 3. SUPPORTING FAMILIES WITH CHILDREN FROM PRENATAL TO AGE THREE

- 9 <u>NEW SECTION.</u> **Sec. 317.** (1) The legislature finds that parental relationships and healthy interactions in the first few years of life 10 help shape the development of babies and toddlers' brains and bodies. 11 Eighty percent of the brain is developed by the age of three and 12 parents are a child's first teachers. The legislature finds that the 13 14 federal family first prevention services act (P.L. 115-123) offers the state the opportunity to leverage federal funding for certain 15 16 programs, including in-home parent skill-based programs, substance 17 use disorder support, and mental health interventions. Culturally relevant, evidence-based programs that may qualify for these federal 18 funds are limited. Therefore, state support may be necessary to serve 19 20 traditionally underrepresented communities and increase positive engagement from parents and caregivers of children from before birth 21 to age three. The legislature finds that small teacher-child ratios 22 23 for infant and toddler care, as well as the existence of child care deserts with low levels of access to care for the birth to three age 24 group, contribute to higher expenses for providers and families with 25 26 babies and young children.
  - (2) The legislature further finds that the state has the opportunity to leverage medicaid funds to support the expansion of the early childhood intervention prevention services program if the program is available statewide.
  - (3) Therefore, the legislature intends to promote parent and family education and support, incentivize the provision of infant and toddler care, and make trauma and complex needs programs and other early intervention services more readily available to families and young children.

## Parent and Family Education and Support

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- NEW SECTION. Sec. 318. (1) Subject to the availability of amounts appropriated for this specific purpose, the department shall administer a prenatal to three family engagement strategy to support expectant parents, babies and toddlers from birth to three years of age, and their caregivers.
- (2) Components of the prenatal to three family engagement strategy must include supports and services to improve maternal and infant health outcomes, reduce and mitigate trauma, promote attachment and other social-emotional assets, strengthen parenting skills, and provide early interventions to help maximize healthy and robust childhood development and reduce isolation. Services and supports may include:
  - (a) Parent skill-based programs and training;
  - (b) Facilitated play and learn groups;

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- (c) Parent peer-support groups, including groups designed for families with children with complex needs, families whose primary home language is not English, incarcerated parents, families coping with substance use disorder or mental health support needs, or other specific needs; and
- (d) Other prenatal to age three programs and services.
- 21 (3) Continuity of services for babies and toddlers are important 22 for early childhood brain development. Therefore, the services and 23 supports described in this section may be made available to 24 biological parents, foster parents, and kinship care providers.

#### Infant and Toddler Care Incentives

- 26 NEW SECTION. Sec. 319. (1) The legislature finds that our state 27 suffers from an extreme shortage of infant and toddler child care, impacting the ability of parents to participate in the workforce. 28 29 Further, parents returning to work after using paid family leave to 30 care for a new child struggle to find readily available, high quality care during a time of critical growth and brain development for young 31 children. Therefore, the legislature intends to incentivize the 32 provision of high quality infant and toddler care. 33
  - (2) Subject to the availability of amounts appropriated for this specific purpose, the department shall provide an infant-toddler rate enhancement for providers and contractors who are:
    - (a) Accepting state subsidy;

1 (b) In good standing with the early achievers quality rating and 2 improvement system; and

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- (c) Caring for a child between the ages of birth and three years.
- (3) To the extent practicable, parties should consider in collective bargaining agreements, beginning in the 2021-2023 biennium, implementation of a rate structure similar to the provisions in this section.
  - (4) Beginning July 1, 2023, and subject to the availability of amounts appropriated for this specific purpose, rate enhancements established under this section shall be adjusted annually for inflation as described in section 203 of this act.
- 12 (5) Beginning January 1, 2025, the department must use the child 13 care cost estimate model developed under RCW 43.330.527 to set infant 14 and toddler enhancement rates at levels that are sufficient to 15 compensate providers for the full costs of providing high quality 16 child care.

## Expanding Early Interventions

- NEW SECTION. Sec. 320. (1) Subject to the availability of amounts appropriated for this specific purpose, the department shall administer trauma and complex needs programs, such as the early childhood intervention prevention services program, and other early intervention services for children who are:
  - (a) Between the ages of birth and five years;
- (b) Referred by a child welfare worker, a department of social and health services social worker, a primary care physician, a behavioral health provider, or a public health nurse due to: (i) Risk of child abuse or neglect; or (ii) exposure to complex trauma; and
  - (c) Enrolled in apple health for kids.
- 29 (2) The department shall make all reasonable efforts to deliver 30 the trauma and complex needs programs and other early intervention 31 services in areas of the state with the highest need and the greatest 32 local interest in such services and programs.

## 33 PART IV 34 CONFORMING AMENDMENTS

35 **Sec. 401.** RCW 43.216.010 and 2017 3rd sp.s. c 6 s 201 are each reenacted and amended to read as follows:

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The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

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- (1) "Agency" means any person, firm, partnership, association, corporation, or facility that provides child care and early learning services outside a child's own home and includes the following irrespective of whether there is compensation to the agency:
- (a) "Child day care center" means an agency that regularly provides early childhood education and early learning services for a group of children for periods of less than twenty-four hours;
- (b) "Early learning" includes but is not limited to programs and services for child care; state, federal, private, and nonprofit preschool; child care subsidies; child care resource and referral; parental education and support; and training and professional development for early learning professionals;
- (c) "Family day care provider" means a child care provider who regularly provides early childhood education and early learning services for not more than twelve children at any given time in the provider's home in the family living quarters;
- (d) "Nongovernmental private-public partnership" means an entity registered as a nonprofit corporation in Washington state with a primary focus on early learning, school readiness, and parental support, and an ability to raise a minimum of five million dollars in contributions;
- (e) "Service provider" means the entity that operates a community facility.
  - (2) "Agency" does not include the following:
  - (a) Persons related to the child in the following ways:
  - (i) Any blood relative, including those of half-blood, and including first cousins, nephews or nieces, and persons of preceding generations as denoted by prefixes of grand, great, or great-great;
    - (ii) Stepfather, stepmother, stepbrother, and stepsister;
- 32 (iii) A person who legally adopts a child or the child's parent 33 as well as the natural and other legally adopted children of such 34 persons, and other relatives of the adoptive parents in accordance 35 with state law; or
- 36 (iv) Spouses of any persons named in (a)(i), (ii), or (iii) of 37 this subsection, even after the marriage is terminated;
  - (b) Persons who are legal guardians of the child;
- 39 (c) Persons who care for a neighbor's or friend's child or 40 children, with or without compensation, where the person providing Code Rev/CL:akl 33 H-4273.1/20

- care for periods of less than twenty-four hours does not conduct such activity on an ongoing, regularly scheduled basis for the purpose of engaging in business, which includes, but is not limited to, advertising such care;
- 5 (d) Parents on a mutually cooperative basis exchange care of one 6 another's children;
  - (e) Nursery schools that are engaged primarily in early childhood education with preschool children and in which no child is enrolled on a regular basis for more than four hours per day;
- 10 (f) Schools, including boarding schools, that are engaged 11 primarily in education, operate on a definite school year schedule, 12 follow a stated academic curriculum, and accept only school age 13 children;
- 14 (g) Seasonal camps of three months' or less duration engaged 15 primarily in recreational or educational activities;
  - (h) Facilities providing child care for periods of less than twenty-four hours when a parent or legal guardian of the child remains on the premises of the facility for the purpose of participating in:
    - (i) Activities other than employment; or

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- (ii) Employment of up to two hours per day when the facility is operated by a nonprofit entity that also operates a licensed child care program at the same facility in another location or at another facility;
- 25 (i) Any entity that provides recreational or educational 26 programming for school age children only and the entity meets all of 27 the following requirements:
- (i) The entity utilizes a drop-in model for programming, where children are able to attend during any or all program hours without a formal reservation;
- 31 (ii) The entity does not assume responsibility in lieu of the 32 parent, unless for coordinated transportation;
- 33 (iii) The entity is a local affiliate of a national nonprofit; 34 and
- 35 (iv) The entity is in compliance with all safety and quality 36 standards set by the associated national agency;
- 37 (j) A program operated by any unit of local, state, or federal government;
- 39 (k) A program located within the boundaries of a federally 40 recognized Indian reservation, licensed by the Indian tribe;

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1 (1) A program located on a federal military reservation, except 2 where the military authorities request that such agency be subject to 3 the licensing requirements of this chapter;

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- (m) A program that offers early learning and support services, such as parent education, and does not provide child care services on a regular basis.
- 7 (3) "Applicant" means a person who requests or seeks employment 8 in an agency.
- 9 (4) "Conviction information" means criminal history record 10 information relating to an incident which has led to a conviction or 11 other disposition adverse to the applicant.
- 12 (5) "Department" means the department of children, youth, and 13 families.
  - (6) "Early achievers" means a program that improves the quality of early learning programs and supports and rewards providers for their participation.
    - (7) "Early childhood education and assistance program contractor" means an organization that provides early childhood education and assistance program services under a signed contract with the department.
    - (8) "Early childhood education and assistance program provider" means an organization that provides site level, direct, and high quality early childhood education and assistance program services under the direction of an early childhood education and assistance program contractor.
    - (9) (("Early start" means an integrated high quality continuum of early learning programs for children birth-to-five years of age. Components of early start include, but are not limited to, the following:
      - (a) Home visiting and parent education and support programs;
      - (b) The early achievers program described in RCW 43.216.085;
- 32 (c) Integrated full-day and part-day high quality early learning programs; and
  - (d) High quality preschool for children whose family income is at or below one hundred ten percent of the federal poverty level.
- 36 (10)) "Education data center" means the education data center 37 established in RCW 43.41.400, commonly referred to as the education 38 research and data center.

1 ((<del>(11)</del>)) <u>(10)</u> "Employer" means a person or business that engages 2 the services of one or more people, especially for wages or salary to 3 work in an agency.

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- $((\frac{(12)}{(12)}))$  <u>(11)</u> "Enforcement action" means denial, suspension, revocation, modification, or nonrenewal of a license pursuant to RCW 43.216.325(1) or assessment of civil monetary penalties pursuant to RCW 43.216.325(3).
- 8 ((<del>(13)</del>)) <u>(12)</u> "Extended day program" means an early childhood 9 education and assistance program that offers early learning education 10 for at least ten hours per day, a minimum of two thousand hours per 11 year, at least four days per week, and operates year-round.
- $((\frac{14}{1}))$  (13) "Full day program" means an early childhood education and assistance program that offers early learning education for a minimum of one thousand hours per year.
  - ((<del>(15)</del>)) <u>(14)</u> "Low-income child care provider" means a person who administers a child care program that consists of at least eighty percent of children receiving working connections child care subsidy.
  - (((16))) <u>(15)</u> "Low-income neighborhood" means a district or community where more than twenty percent of households are below the federal poverty level.
  - $((\frac{17}{17}))$  (16) "Negative action" means a court order, court judgment, or an adverse action taken by an agency, in any state, federal, tribal, or foreign jurisdiction, which results in a finding against the applicant reasonably related to the individual's character, suitability, and competence to care for or have unsupervised access to children in child care. This may include, but is not limited to:
    - (a) A decision issued by an administrative law judge;
- 29 (b) A final determination, decision, or finding made by an agency 30 following an investigation;
- 31 (c) An adverse agency action, including termination, revocation, 32 or denial of a license or certification, or if pending adverse agency 33 action, the voluntary surrender of a license, certification, or 34 contract in lieu of the adverse action;
- 35 (d) A revocation, denial, or restriction placed on any 36 professional license; or
  - (e) A final decision of a disciplinary board.
- $((\frac{(18)}{(18)}))$  <u>(17)</u> "Nonconviction information" means arrest, founded allegations of child abuse, or neglect pursuant to chapter 26.44 RCW, or other negative action adverse to the applicant.

- 1 (((19))) (18) "Nonschool age child" means a child who is age six 2 years or younger and who is not enrolled in a public or private 3 school.
- 4 ((<del>(20)</del>)) <u>(19)</u> "Part day program" means an early childhood 5 education and assistance program that offers early learning education 6 for at least two and one-half hours per class session, at least three 7 hundred twenty hours per year, for a minimum of thirty weeks per 8 year.
- 9  $((\frac{(21)}{(21)}))$  "Private school" means a private school approved by the state under chapter 28A.195 RCW.
- $((\frac{(22)}{(22)}))$  <u>(21)</u> "Probationary license" means a license issued as a disciplinary measure to an agency that has previously been issued a full license but is out of compliance with licensing standards.
- 14  $((\frac{(23)}{(23)}))$  "Requirement" means any rule, regulation, or standard of care to be maintained by an agency.
- 16  $((\frac{(24)}{)})$  (23) "School age child" means a child who is five years 17 of age through twelve years of age and is attending a public or 18 private school or is receiving home-based instruction under chapter 19 28A.200 RCW.
- 20  $((\frac{(25)}{)}))$  <u>(24)</u> "Secretary" means the secretary of the department.
- ((<del>(26)</del>)) <u>(25)</u> "Washington state preschool program" means an education program for children three-to-five years of age who have not yet entered kindergarten, such as the early childhood education and assistance program.
  - (26) "Distressed community" means: (a) A county that has an unemployment rate that is twenty percent above the state average for the immediately previous three years; (b) an area within a county that the department determines to be a low-income community, using as guidance the low-income community designations under the community development financial institutions fund's new markets tax credit program of the United States department of the treasury; or (c) a school district in which at least fifty percent of local elementary students receive free and reduced-price meals.
    - (27) "Employer-supported child care" includes:

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- 35 <u>(a) A licensed child care center operated at or near the</u> 36 workplace by an employer for the benefit of employees; and
- 37 <u>(b) Financial assistance provided by an employer for licensed</u> 38 <u>child care expenses incurred by an employee.</u>

**Sec. 402.** RCW 43.216.578 and 2019 c 408 s 8 are each amended to read as follows:

- (1) Within resources available under the federal preschool development grant birth to five grant award received in December 2018, the department shall develop a plan for phased implementation of a birth to three early childhood education and assistance program pilot project for eligible children under thirty-six months old. Funds to implement the pilot project may include a combination of federal, state, or private sources.
- (2) The department may adopt rules to implement the pilot project and may waive or adapt early childhood education and assistance program requirements when necessary to allow for the operation of the birth to three early childhood education and assistance program. The department shall consider early head start rules and regulations when developing the provider and family eligibility requirements and program requirements. Any deviations from early head start standards, rules, or regulations must be identified and explained by the department in its annual report under subsection (6) of this section.
- (3) (a) Upon securing adequate funds to begin implementation, the pilot project programs must be delivered through child care centers and family home providers who meet minimum licensing standards and are enrolled in the early achievers program.
- (b) The department must determine minimum early achievers ratings scores for programs participating in the pilot project.
- (4) When selecting pilot project locations for service delivery, the department may allow each pilot project location to have up to three classrooms per location. When selecting and approving pilot project locations, the department shall attempt to select a combination of rural, urban, and suburban locations. The department shall prioritize locations with programs currently operating early head start, head start, or the early childhood education and assistance program.
- (5) To be eligible for the birth to three early childhood education and assistance program, a child's family income must be at or below ((one hundred thirty percent of the federal poverty level)) thirty-six percent of the state median income and the child must be under thirty-six months old.
- 38 (6) Beginning November 1, 2020, and each November 1st thereafter 39 during pilot project activity, the department shall submit an annual 40 report to the governor and legislature that includes a status update Code Rev/CL:akl 38 H-4273.1/20

- 1 that describes the planning work completed, the status of funds
- 2 secured, and any implementation activities of the pilot project.
- 3 Implementation activity reports must include a description of the
- 4 participating programs and number of children and families served.
- 5 **Sec. 403.** RCW 43.216.710 and 2017 3rd sp.s. c 6 s 213 are each amended to read as follows:

The department shall:

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- (1) Work in conjunction with the statewide child care resource and referral network as well as local governments, nonprofit organizations, businesses, and community child care advocates to create local child care resource and referral organizations. These organizations may carry out needs assessments, resource development, provider training, technical assistance, and parent information and training;
- 15 (2) Actively seek public and private money for distribution as 16 grants to the statewide child care resource and referral network and 17 to existing or potential local child care resource and referral 18 organizations;
  - (3) Adopt rules regarding the application for and distribution of grants to local child care resource and referral organizations. The rules shall, at a minimum, require an applicant to submit a plan for achieving the following objectives:
- 23 (a) Provide parents with information about child care resources, 24 including location of services and subsidies;
  - (b) Carry out child care provider recruitment and training programs, including training under RCW 74.25.040;
  - (c) Offer support services, such as parent and provider seminars, toy-lending libraries, and substitute banks;
- 29 (d) Provide information for businesses regarding child care 30 supply and demand;
- 31 (e) Advocate for increased public and private sector resources 32 devoted to child care;
- 33 (f) Provide technical assistance to employers regarding employee 34 child care services; and
- 35 (g) Serve recipients of temporary assistance for needy families 36 and working parents with <u>household</u> incomes at or below ((<del>household</del> 37 incomes of two hundred percent of the federal poverty line)) eighty-38 five percent of the state median income;

1 (4) Provide staff support and technical assistance to the 2 statewide child care resource and referral network and local child 3 care resource and referral organizations;

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- (5) Maintain a statewide child care licensing data bank and work with department licensors to provide information to local child care resource and referral organizations about licensed child care providers in the state;
- (6) Through the statewide child care resource and referral network and local resource and referral organizations, compile data about local child care needs and availability for future planning and development;
- (7) Coordinate with the statewide child care resource and referral network and local child care resource and referral organizations for the provision of training and technical assistance to child care providers;
- (8) Collect and assemble information regarding the availability of insurance and of federal and other child care funding to assist state and local agencies, businesses, and other child care providers in offering child care services;
- 20 (9) Subject to the availability of amounts appropriated for this 21 specific purpose, increase the base rate for all child care providers 22 by ten percent;
  - (10) Subject to the availability of amounts appropriated for this specific purpose, provide tiered subsidy rate enhancements to child care providers if the provider meets the following requirements:
- 26 (a) The provider enrolls in quality rating and improvement system 27 levels 2, 3, 4, or 5;
- 28 (b) The provider is actively participating in the early achievers 29 program;
- 30 (c) The provider continues to advance towards level 5 of the 31 early achievers program; and
- 32 (d) The provider must complete level 2 within thirty months or 33 the reimbursement rate returns the level 1 rate; and
- 34 (11) Require exempt providers to participate in continuing 35 education, if adequate funding is available.
- 36 **Sec. 404.** RCW 43.84.092 and 2019 c 421 s 15, 2019 c 403 s 14, 2019 c 365 s 19, 2019 c 287 s 19, and 2019 c 95 s 6 are each reenacted and amended to read as follows:

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(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

- The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.
- (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
- (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:
- (a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capital building construction account, the Cedar River channel

1 construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and 2 reformatory institutions account, the Chehalis basin account, the 3 cleanup settlement account, the Columbia river basin water supply 4 development account, the Columbia river basin taxable bond water 5 6 supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the 7 community forest trust account, the connecting Washington account, 8 the county arterial preservation account, the county criminal justice 9 assistance account, the deferred compensation administrative account, 10 11 the deferred compensation principal account, the department of 12 licensing services account, the department of licensing tuition recovery trust fund, the department of retirement systems expense 13 account, the developmental disabilities community trust account, the 14 diesel idle reduction account, the drinking water assistance account, 15 the drinking water assistance administrative account, the early 16 17 learning facilities development account, the early learning facilities revolving account, the early learning health care 18 19 expansion account the Eastern Washington University capital projects account, the education construction fund, the education legacy trust 20 21 account, the election account, the electric vehicle account, the 22 energy freedom account, the energy recovery act account, the 23 essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the 24 25 federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal 26 account, the grade crossing protective fund, the public health 27 28 services account, the state higher education construction account, 29 higher education construction account, the highway retirement fund, the highway infrastructure account, the highway 30 31 safety fund, the hospital safety net assessment fund, the industrial 32 insurance premium refund account, the Interstate 405 and state route 33 number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial 34 retirement principal account, the local leasehold excise tax account, 35 the local real estate excise tax account, the local sales and use tax 36 account, the marine resources stewardship trust account, the medical 37 aid account, the mobile home park relocation fund, the money-purchase 38 39 retirement savings administrative account, the money-purchase 40 retirement savings principal account, the motor vehicle fund, the

motorcycle safety education account, the multimodal transportation 1 account, the multiuse roadway safety account, the municipal criminal 2 justice assistance account, the natural resources deposit account, 3 the oyster reserve land account, the pension funding stabilization 4 account, the perpetual surveillance and maintenance account, the 5 6 pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 7 account, the public employees' retirement system combined plan 2 and 8 plan 3 account, the public facilities construction loan revolving 9 account beginning July 1, 2004, the public health supplemental 10 11 account, the public works assistance account, the Puget Sound capital 12 construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer 13 14 accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program 15 16 account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural 17 Washington loan fund, the sexual assault prevention and response 18 account, the site closure account, the skilled nursing facility 19 safety net trust fund, the small city pavement and sidewalk account, 20 21 the special category C account, the special wildlife account, the 22 state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the 23 state investment board commingled trust fund accounts, the state 24 25 patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state 26 wildlife account, the statewide broadband account, the statewide 27 tourism marketing account, the student achievement council tuition 28 recovery trust fund, the supplemental pension account, the Tacoma 29 Narrows toll bridge account, the teachers' retirement system plan 1 30 31 account, the teachers' retirement system combined plan 2 and plan 3 32 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the 33 transportation 2003 account (nickel account), the transportation 34 equipment fund, the transportation future funding program account, 35 36 transportation improvement account, the transportation improvement board bond retirement account, the transportation 37 infrastructure account, the transportation partnership account, the 38 39 traumatic brain injury account, the tuition recovery trust fund, the 40 University of Washington bond retirement fund, the University of

1 Washington building account, the voluntary cleanup account, the volunteer firefighters' and reserve officers' relief and pension 2 principal fund, the volunteer firefighters' and reserve officers' 3 administrative fund, the vulnerable roadway user education account, 4 the Washington judicial retirement system account, the Washington law 5 6 enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' 7 system plan 2 retirement account, the Washington public safety 8 employees' plan 2 retirement account, the Washington school 9 employees' retirement system combined plan 2 and 3 account, the 10 Washington state health insurance pool account, the Washington state 11 12 patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the 13 water pollution control revolving administration account, the water 14 pollution control revolving fund, the Western Washington University 15 16 capital projects account, the Yakima integrated plan implementation 17 account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond 18 account. Earnings derived from investing balances of the agricultural 19 permanent fund, the normal school permanent fund, the permanent 20 21 common school fund, the scientific permanent fund, the 22 university permanent fund, and the state reclamation revolving 23 account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

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- 30 (5) In conformance with Article II, section 37 of the state 31 Constitution, no treasury accounts or funds shall be allocated 32 earnings without the specific affirmative directive of this section.
- 33 **Sec. 405.** RCW 28B.50.248 and 2019 c 406 s 71 are each amended to read as follows:

Nothing in ((RCW 43.216.135)) section 301 of this act requires a community or technical college to expand any of its existing child care facilities. Any additional child care services provided by a community or technical college as a result of ((RCW 43.216.135))

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- 1 <u>section 301 of this act</u> must be provided within existing resources
- 2 and existing facilities.
- 3 **Sec. 406.** RCW 43.31.583 and 2018 c 58 s 16 are each amended to 4 read as follows:
- When funding is provided in the previous biennium, the department, in collaboration with the department of children, youth, and families, shall submit a report no later than December 1st of even-numbered years, to the governor and the appropriate committees of the legislature that provides an update on the status of the early learning facilities grant and loan program that includes, but is not limited to:
- 12 (1) The total amount of funds, by grant and loan, spent or 13 contracted to be spent; ((and))
- (2) A list of projects awarded funding including, but not limited to, information about whether the project is a renovation or new construction or some other category, where the project is located, and the number of slots the project supports;
- 18 <u>(3) A description of start-up grant applications and awards,</u>
  19 <u>including the:</u>
- 20 <u>(a) Total number of start-up grant applications received during</u>
  21 <u>the previous application cycle, including the total dollar amount of</u>
  22 requested funds;
  - (b) Number of start-up grants awarded;
- (c) Grant award amounts;

- 25 <u>(d) Grant recipients and the type of organization represented by</u> 26 <u>each recipient; and</u>
- (e) Planned uses of each grant award.
- 28 **Sec. 407.** RCW 43.31.575 and 2018 c 58 s 18 are each amended to 29 read as follows:
- 30 (1) Organizations eligible to receive funding from the early 31 learning facilities grant and loan program include:
- 32 (a) Early childhood education and assistance program providers;
- 33 (b) Working connections child care providers who are eligible to 34 receive state subsidies;
- 35 (c) Licensed early learning centers not currently participating 36 in the early childhood education and assistance program, but 37 intending to do so;
- 38 (d) Developers of housing and community facilities;

- 1 (e) Community and technical colleges;
- 2 (f) Educational service districts;
- 3 (g) Local governments;

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- 4 (h) Federally recognized tribes in the state; ((and))
- 5 (i) Religiously affiliated entities; and
- 6 (j) Local governments for purposes described in RCW 43.31.577.
- 7 (2) To be eligible to receive funding from the early learning 8 facilities grant and loan program for activities described in RCW 9 43.31.577 (1) (b) ((and)), (c), and (e) and (2), eligible 10 organizations and school districts must:
- 11 (a) Commit, when applicable to the organization, to being an 12 active participant in good standing with the early achievers program 13 as defined by chapter 43.216 RCW;
- 14 (b) Demonstrate that projects receiving construction, purchase, 15 or renovation grants or loans less than two hundred thousand dollars 16 must also:
- 17 (i) Demonstrate that the project site is under the applicant's 18 control for a minimum of ten years, either through ownership or a 19 long-term lease; and
- (ii) Commit to using the facility funded by the grant or loan for the purposes of providing preschool or child care for a minimum of ten years;
- (c) Demonstrate that projects receiving construction, purchase, or renovation grants or loans of two hundred thousand dollars or more must also:
  - (i) Demonstrate that the project site is under the applicant's control for a minimum of twenty years, either through ownership or a long-term lease; and
  - (ii) Commit to using the facility funded by the grant or loan for the purposes of providing preschool or child care for a minimum of twenty years.
  - (3) To be eligible to receive funding from the early learning facilities grant and loan program for activities described in RCW 43.31.577 (1) (b) ((and)), (c), and (e) and (2), religiously affiliated entities must use the facility to provide child care and education services consistent with subsection (4)(a) of this section.
- 37 (4)(a) Upon receiving a grant or loan, the recipient must 38 continue to be an active participant and in good standing with the early achievers program, as applicable.

- 1 (b) If the recipient does not meet the conditions specified in (a) of this subsection, the grants shall be repaid to the early 2 learning facilities revolving account or the early learning 3 facilities development account, as directed by the department. So 4 long as an eligible organization continues to provide an early 5 6 learning program in the facility, the facility is used as authorized, and the eligible organization continues to be an active participant 7 and in good standing with the early achievers program, the grant 8 repayment is waived. 9
- 10 (c) The department, in consultation with the department of 11 children, youth, and families, must adopt rules to implement this 12 section.
- 13 **Sec. 408.** RCW 43.216.089 and 2019 c 369 s 13 are each amended to 14 read as follows:
  - (1) ((Beginning December 15, 2015, and each)) Each December 15th ((thereafter)), the department, in collaboration with the statewide child care resource and referral organization, and the early achievers review subcommittee of the early learning advisory and accountability council, shall submit, in compliance with RCW 43.01.036, a progress report to the governor and the legislature regarding providers' progress in the early achievers program. Each progress report must include the following elements:
- 23 (a) The number, and relative percentage, of family child care and 24 center providers who have enrolled in the early achievers program and 25 who have:
  - (i) Completed the level 2 activities;

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- 27 (ii) Completed rating readiness consultation and are waiting to 28 be rated;
- (iii) Achieved the required rating level to remain eligible for state-funded support under the early childhood education and assistance program or a subsidy under the working connections child care program;
  - (iv) Not achieved the required rating level initially but qualified for and are working through intensive targeted support in preparation for a partial rerate outside the standard rating cycle;
- 36 (v) Not achieved the required rating level initially and engaged 37 in remedial activities before successfully achieving the required 38 rating level;

1 (vi) Not achieved the required rating level after completing 2 remedial activities; or

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- (vii) Received an extension from the department based on exceptional circumstances pursuant to RCW 43.216.085;
- (b) A review of the services available to providers and children from diverse cultural backgrounds;
- (c) An examination of the effectiveness of efforts to increase successful participation by providers serving children and families from diverse cultural and linguistic backgrounds and providers who serve children from low-income households;
- (d) A description of the primary obstacles and challenges faced by providers who have not achieved the required rating level to remain eligible to receive:
- 14 (i) A subsidy under the working connections child care program;
  15 or
- 16 (ii) State-funded support under the early childhood education and assistance program;
  - (e) A summary of the types of exceptional circumstances for which the department has granted an extension pursuant to RCW 43.216.085;
  - (f) The average amount of time required for providers to achieve local level milestones within each level of the early achievers program;
  - (g) To the extent data is available, an analysis of the distribution of early achievers program-rated facilities in relation to child and provider demographics, including but not limited to race and ethnicity, home language, and geographical location;
  - (h) Recommendations for improving access for children from diverse cultural backgrounds to providers rated at a level 3 or higher in the early achievers program;
- 30 (i) Recommendations for improving the early achievers program 31 standards;
  - (j) An analysis of any impact from quality strengthening efforts on the availability and quality of infant and toddler care;
  - (k) The number of contracted slots that use both early childhood education and assistance program funding and working connections child care program funding; and
- 37 (1) A description of the early childhood education and assistance 38 program implementation to include the following:

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1 (i) Progress on early childhood education and assistance program 2 implementation as required pursuant to RCW 43.216.515, 43.216.525, 3 and 43.216.555;

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- (ii) An examination of the regional distribution of new preschool programming by zip code;
- (iii) An analysis of the impact of preschool expansion on low-income neighborhoods and communities;
- (iv) Recommendations to address any identified barriers to access to quality preschool for children living in low-income neighborhoods;
- (v) An analysis of any impact of extended day early care and education opportunities directives;
- (vi) An examination of any identified barriers for providers to offer extended day early care and education opportunities;
- (vii) An analysis of the demand for full-day programming for early childhood education and assistance program providers required under RCW 43.216.515; and
  - (viii) To the extent data is available, an analysis of the cultural diversity of early childhood education and assistance program providers and participants.
    - (2) The first annual report due under subsection (1) of this section also shall include a description of the early achievers program extension protocol required under RCW 43.216.085.
    - (3) The elements required to be reported under subsection (1)(a) of this section must be reported at the county level, and for those counties with a population of five hundred thousand and higher, the data must be reported at the zip code level.
    - (4) If, based on information in an annual report submitted in 2018 or later under this section, fifteen percent or more of the licensed or contracted providers who are participating in the early achievers program in a county or in a single zip code have not achieved the rating levels under RCW 43.216.135 and 43.216.515, the department must:
    - (a) Analyze the reasons providers in the affected counties or zip codes have not attained the required rating levels; and
- 35 (b) Develop a plan to mitigate the effect on the children and 36 families served by these providers. The plan must be submitted to the 37 legislature as part of the annual progress report along with any 38 recommendations for legislative action to address the needs of the 39 providers and the children and families they serve.

**Sec. 409.** RCW 43.216.525 and 2015 3rd sp.s. c 7 s 8 are each 2 amended to read as follows:

- (1) The department shall adopt rules under chapter 34.05 RCW for the administration of the early childhood education and assistance program. Approved early childhood education and assistance programs shall conduct needs assessments of their service area and identify any targeted groups of children, to include but not be limited to children of seasonal and migrant farmworkers and native American populations living either on or off reservation. Approved early childhood education and assistance programs shall provide to the department a service delivery plan, to the extent practicable, that addresses these targeted populations.
- (2) The department, in developing rules for the early childhood education and assistance program, shall consult with the early learning advisory and accountability council, and shall consider such factors as coordination with existing head start and other early childhood programs, the preparation necessary for instructors, qualifications of instructors, adequate space and equipment, and special transportation needs. The rules shall specifically require the early childhood programs to provide for parental involvement in participation with their child's program, in local program policy decisions, in development and revision of service delivery systems, and in parent education and training.
- (3) ((By January 1, 2016, the)) The department shall adopt rules requiring early childhood education and assistance program employees who have access to children to submit to a fingerprint background check. Fingerprint background check procedures for the early childhood education and assistance program shall be the same as the background check procedures in RCW ((43.215.215)) 43.216.270.
- **Sec. 410.** RCW 43.216.655 and 2019 c 369 s 7 are each amended to 31 read as follows:
  - (1) The education data center established in RCW 43.41.400 must collect longitudinal, student-level data on all children attending an early childhood education and assistance program. Upon completion of an electronic time and attendance record system, the education data center must collect longitudinal, student-level data on all children attending a working connections child care program. Data collected should capture at a minimum the following characteristics:
    - (a) Daily program attendance;

- 1 (b) Identification of classroom and teacher;
  - (c) Early achievers program quality level rating;
- 3 (d) Program hours;

- (e) Program duration;
- 5 (f) Developmental results from the Washington kindergarten 6 inventory of developing skills in RCW 28A.655.080; and
  - (g) To the extent data is available, the distinct ethnic categories within racial subgroups of children and providers that align with categories recognized by the education data center.
  - (2) The department shall provide early learning providers student-level data collected pursuant to this section that are specific to the early learning provider's program. Upon completion of an electronic time and attendance record system identified in subsection (1) of this section, the department shall provide child care providers student-level data that are specific to the child care provider's program.
  - (3) The department shall review available research and best practices literature on cultural competency in early learning settings. The department shall review the K-12 components for cultural competency developed by the professional educator standards board and identify components appropriate for early learning professional development.
  - (4)(a) The Washington state institute for public policy shall conduct a longitudinal analysis examining relationships between the early achievers program quality ratings levels and outcomes for children participating in subsidized early care and education programs.
  - (b) The institute shall submit the first report to the appropriate committees of the legislature and the early learning advisory and accountability council by December 31, 2019. The institute shall submit subsequent reports annually to the appropriate committees of the legislature and the early learning advisory and accountability council by December 31st, with the final report due December 31, 2022. The final report shall include a cost-benefit analysis.
- 36 (5) By December 31, 2021, and subject to the availability of amounts appropriated for this specific purpose, the Washington state institute for public policy shall update the outcome evaluation of the early childhood education and assistance program required by chapter 16, Laws of 2013 and report to the governor and the Code Rev/CL:akl

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- 1 legislature on the outcomes of program participants. The evaluation
- 2 must include the demographics of program participants including race,
- 3 ethnicity, and socioeconomic status. The evaluation must examine
- 4 short and long-term impacts on program participants, including high
- 5 school graduation rates for up to two cohorts. When conducting the
- 6 evaluation, the institute must consider, to the extent that data is
- 7 available, the education levels and demographics, including race,
- 8 ethnicity, and socioeconomic status, of early childhood education and
- 9 assistance program staff and the effects of full-day programming and
- 10 half-day programming on outcomes.
- 11 PART V
- 12 MISCELLANEOUS
- NEW SECTION. Sec. 501. Sections 201 through 205, 207 through
- 14 209, 301, 302, 308, 309, 311, 313 through 320, 401, and 403 through
- 15 410 of this act take effect July 1, 2022.
- 16 <u>NEW SECTION.</u> **Sec. 502.** Sections 206, 303, 310, and 312 of this
- 17 act take effect July 1, 2021.
- 18 <u>NEW SECTION.</u> **Sec. 503.** Sections 304 through 307 and 402 of this
- 19 act take effect July 1, 2026.
- 20 <u>NEW SECTION.</u> **Sec. 504.** If any provision of this act or its
- 21 application to any person or circumstance is held invalid, the
- 22 remainder of the act or the application of the provision to other
- 23 persons or circumstances is not affected.
- NEW SECTION. Sec. 505. If any part of this act is found to be
- 25 in conflict with federal requirements that are a prescribed condition
- 26 to the allocation of federal funds to the state, the conflicting part
- 27 of this act is inoperative solely to the extent of the conflict and
- 28 with respect to the agencies directly affected, and this finding does
- 29 not affect the operation of the remainder of this act in its
- 30 application to the agencies concerned. Rules adopted under this act
- 31 must meet federal requirements that are a necessary condition to the
- 32 receipt of federal funds by the state.

- 1 <u>NEW SECTION.</u> **Sec. 506.** Sections 201, 203 through 206, 301, 303,
- 2 304, 309 through 312, and 314 through 320 of this act are each added
- 3 to chapter 43.216 RCW.

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