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HOUSE BILL 1778

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State of Washington

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By Representatives Wolfe, Brown, Talcott, Leonard, Johanson, Kessler, Appelwick, Romero, Pruitt, H. Myers, Edmondson, Linville, Veloria, Anderson, Reams, Rust, Miller, Wang and J. Kohl

Read first time 02/08/93. Referred to Committee on Human Services.

1 AN ACT Relating to state employee child care; amending RCW  
2 41.04.370, 41.04.375, 41.04.380, 41.04.385, 43.88.160, and 74.13.090;  
3 and adding a new section to chapter 41.04 RCW.

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

5 **Sec. 1.** RCW 41.04.370 and 1984 c 162 s 1 are each amended to read  
6 as follows:

7 The legislature recognizes that ~~((on-site))~~ supporting child  
8 ~~((day))~~ care for employees of public and private organizations is a  
9 worthwhile pursuit. To further the goals of affordable, accessible,  
10 and quality child care for working parents, the legislature intends to  
11 ~~((establish a))~~ provide for the development of self-supporting child  
12 care ~~((demonstration project))~~ programs for employees of state  
13 government. ~~((The legislature recognizes that appropriate child day  
14 care services may enhance productivity and lower absenteeism among  
15 state employees.))~~

16 **Sec. 2.** RCW 41.04.375 and 1984 c 162 s 2 are each amended to read  
17 as follows:

1 An agency may identify space they wish to use for child care  
2 facilities or they may request assistance from the department of  
3 general administration ((shall identify an amount of)) in identifying  
4 the availability of suitable space in state-owned or state-leased  
5 buildings ((in the Olympia area)) for use as child ((day)) care centers  
6 for the children of state employees.

7 When suitable space is identified in state-owned or state-leased  
8 buildings, the department of general administration shall establish a  
9 ((fair)) rental rate for ((the)) organizations to pay for the space  
10 used by persons who are not state employees.

11 **Sec. 3.** RCW 41.04.380 and 1984 c 162 s 3 are each amended to read  
12 as follows:

13 ~~((1) The department of personnel shall conduct a needs assessment~~  
14 ~~to determine the need for and interest in child day care facilities for~~  
15 ~~the children of state employees;~~

16 ~~(2) The department of personnel shall determine the number of~~  
17 ~~children which may participate in the demonstration project required~~  
18 ~~under RCW 41.04.370 through 41.04.380; and~~

19 ~~(3) If the))~~ When suitable space is determined to be available,  
20 ((the department of personnel shall)) either agencies or organizations  
21 of state employees may contract with one or more ((organizations))  
22 providers to operate child ((day)) care facilities ((for the children  
23 identified under this section. Such facilities may be located in one  
24 or more buildings as identified under RCW 41.04.375)).

25 Subject to the approval of the director of financial management,  
26 suitable space for child care centers may be provided to organizations  
27 of state employees without charge or at reduced charge for rent or  
28 services solely for the purpose of reducing employee child care costs.

29 NEW SECTION. **Sec. 4.** A new section is added to chapter 41.04 RCW  
30 to read as follows:

31 In order to qualify for services under RCW 41.04.380, state  
32 employee child care organizations shall be organized as nonprofit under  
33 chapter 24.03 RCW.

34 **Sec. 5.** RCW 41.04.385 and 1986 c 135 s 1 are each amended to read  
35 as follows:

1 The legislature finds that (1) demographic, economic, and social  
2 trends underlie a critical and increasing demand for child ((day)) care  
3 in the state of Washington; (2) working parents and their children  
4 benefit when the employees' child care needs have been resolved;  
5 ((and)) (3) the state of Washington should serve as a model employer by  
6 creating a supportive atmosphere, to the extent feasible, in which its  
7 employees may meet their child ((day)) care needs; and (4) the state of  
8 Washington should encourage the development of partnerships between  
9 state agencies, state employees, state employee labor organizations,  
10 and private employers to expand the availability of affordable quality  
11 child care. The legislature finds further that resolving employee  
12 child ((day)) care concerns not only benefits the employees and their  
13 children, but may benefit the employer by reducing absenteeism,  
14 increasing employee productivity, improving morale, and enhancing the  
15 employer's position in recruiting and retaining employees. Therefore,  
16 the legislature declares that it is the policy of the state of  
17 Washington to assist state employees by creating a supportive  
18 atmosphere in which they may meet their child ((day)) care needs.  
19 Policies and procedures for state agencies to address employee child  
20 care needs will be the responsibility of the director of personnel in  
21 consultation with the child care coordinating committee, as provided in  
22 RCW 74.13.090.

23 **Sec. 6.** RCW 43.88.160 and 1992 c 118 s 8 are each amended to read  
24 as follows:

25 This section sets forth the major fiscal duties and  
26 responsibilities of officers and agencies of the executive branch. The  
27 regulations issued by the governor pursuant to this chapter shall  
28 provide for a comprehensive, orderly basis for fiscal management and  
29 control, including efficient accounting and reporting therefor, for the  
30 executive branch of the state government and may include, in addition,  
31 such requirements as will generally promote more efficient public  
32 management in the state.

33 (1) Governor; director of financial management. The governor,  
34 through the director of financial management, shall devise and  
35 supervise a modern and complete accounting system for each agency to  
36 the end that all revenues, expenditures, receipts, disbursements,  
37 resources, and obligations of the state shall be properly and  
38 systematically accounted for. The accounting system shall include the

1 development of accurate, timely records and reports of all financial  
2 affairs of the state. The system shall also provide for central  
3 accounts in the office of financial management at the level of detail  
4 deemed necessary by the director to perform central financial  
5 management. The director of financial management shall adopt and  
6 periodically update an accounting procedures manual. Any agency  
7 maintaining its own accounting and reporting system shall comply with  
8 the updated accounting procedures manual and the rules of the director  
9 adopted under this chapter. An agency may receive a waiver from  
10 complying with this requirement if the waiver is approved by the  
11 director. Waivers expire at the end of the fiscal biennium for which  
12 they are granted. The director shall forward notice of waivers granted  
13 to the appropriate legislative fiscal committees. The director of  
14 financial management may require such financial, statistical, and other  
15 reports as the director deems necessary from all agencies covering any  
16 period.

17 (2) The director of financial management is responsible for  
18 quarterly reporting of primary operating budget drivers such as  
19 applicable workloads, caseload estimates, and appropriate unit cost  
20 data. These reports shall be transmitted to the legislative fiscal  
21 committees or by electronic means to the legislative evaluation and  
22 accountability program committee. Quarterly reports shall include  
23 actual monthly data and the variance between actual and estimated data  
24 to date. The reports shall also include estimates of these items for  
25 the remainder of the budget period.

26 (3) The director of financial management shall report at least  
27 annually to the appropriate legislative committees regarding the status  
28 of all appropriated capital projects, including transportation  
29 projects, showing significant cost overruns or underruns. If funds are  
30 shifted from one project to another, the office of financial management  
31 shall also reflect this in the annual variance report. Once a project  
32 is complete, the report shall provide a final summary showing estimated  
33 start and completion dates of each project phase compared to actual  
34 dates, estimated costs of each project phase compared to actual costs,  
35 and whether or not there are any outstanding liabilities or unsettled  
36 claims at the time of completion.

37 (4) In addition, the director of financial management, as agent of  
38 the governor, shall:

1 (a) Make surveys and analyses of agencies with the object of  
2 determining better methods and increased effectiveness in the use of  
3 manpower and materials; and the director shall authorize expenditures  
4 for employee training to the end that the state may benefit from  
5 training facilities made available to state employees;

6 (b) Establish policies for allowing the contracting of child care  
7 services;

8 (c) Report to the governor with regard to duplication of effort or  
9 lack of coordination among agencies;

10 ((+e)) (d) Review any pay and classification plans, and changes  
11 thereunder, developed by any agency for their fiscal impact: PROVIDED,  
12 That none of the provisions of this subsection shall affect merit  
13 systems of personnel management now existing or hereafter established  
14 by statute relating to the fixing of qualifications requirements for  
15 recruitment, appointment, or promotion of employees of any agency. The  
16 director shall advise and confer with agencies including appropriate  
17 standing committees of the legislature as may be designated by the  
18 speaker of the house and the president of the senate regarding the  
19 fiscal impact of such plans and may amend or alter said plans, except  
20 that for the following agencies no amendment or alteration of said  
21 plans may be made without the approval of the agency concerned:  
22 Agencies headed by elective officials;

23 ((+d)) (e) Fix the number and classes of positions or authorized  
24 man years of employment for each agency and during the fiscal period  
25 amend the determinations previously fixed by the director except that  
26 the director shall not be empowered to fix said number or said classes  
27 for the following: Agencies headed by elective officials;

28 ((+e)) (f) Provide for transfers and repayments between the budget  
29 stabilization account and the general fund as directed by appropriation  
30 and RCW 43.88.525 through 43.88.540;

31 ((+f) ~~Promulgate regulations~~) (g) Adopt rules to effectuate  
32 provisions contained in (a) through ((+e)) (f) of this subsection.

33 (5) The treasurer shall:

34 (a) Receive, keep, and disburse all public funds of the state not  
35 expressly required by law to be received, kept, and disbursed by some  
36 other persons: PROVIDED, That this subsection shall not apply to those  
37 public funds of the institutions of higher learning which are not  
38 subject to appropriation;

1 (b) Disburse public funds under the treasurer's supervision or  
2 custody by warrant or check;

3 (c) Keep a correct and current account of all moneys received and  
4 disbursed by the treasurer, classified by fund or account;

5 (d) Perform such other duties as may be required by law or by  
6 regulations issued pursuant to this law.

7 It shall be unlawful for the treasurer to issue any warrant or  
8 check for public funds in the treasury except upon forms duly  
9 prescribed by the director of financial management. Said forms shall  
10 provide for authentication and certification by the agency head or the  
11 agency head's designee that the services have been rendered or the  
12 materials have been furnished; or, in the case of loans or grants, that  
13 the loans or grants are authorized by law; or, in the case of payments  
14 for periodic maintenance services to be performed on state owned  
15 equipment, that a written contract for such periodic maintenance  
16 services is currently in effect and copies thereof are on file with the  
17 office of financial management; and the treasurer shall not be liable  
18 under the treasurer's surety bond for erroneous or improper payments so  
19 made(~~(:—PROVIDED, That)~~). When services are lawfully paid for in  
20 advance of full performance by any private individual or business  
21 entity other than as provided for by RCW 42.24.035, such individual or  
22 entity other than central stores rendering such services shall make a  
23 cash deposit or furnish surety bond coverage to the state as shall be  
24 fixed in an amount by law, or if not fixed by law, then in such amounts  
25 as shall be fixed by the director of the department of general  
26 administration but in no case shall such required cash deposit or  
27 surety bond be less than an amount which will fully indemnify the state  
28 against any and all losses on account of breach of promise to fully  
29 perform such services(~~(:—AND PROVIDED FURTHER, That)~~). No payments  
30 shall be made in advance for any equipment maintenance services to be  
31 performed more than three months after such payment. Any such bond so  
32 furnished shall be conditioned that the person, firm or corporation  
33 receiving the advance payment will apply it toward performance of the  
34 contract. The responsibility for recovery of erroneous or improper  
35 payments made under this section shall lie with the agency head or the  
36 agency head's designee in accordance with regulations issued pursuant  
37 to this chapter. Nothing in this section shall be construed to permit  
38 a public body to advance funds to a private service provider pursuant

1 to a grant or loan before services have been rendered or material  
2 furnished.

3 (6) The state auditor shall:

4 (a) Report to the legislature the results of current post audits  
5 that have been made of the financial transactions of each agency; to  
6 this end the auditor may, in the auditor's discretion, examine the  
7 books and accounts of any agency, official or employee charged with the  
8 receipt, custody or safekeeping of public funds. The current post  
9 audit of each agency may include a section on recommendations to the  
10 legislature as provided in (c) of this subsection.

11 (b) Give information to the legislature, whenever required, upon  
12 any subject relating to the financial affairs of the state.

13 (c) Make the auditor's official report on or before the thirty-  
14 first of December which precedes the meeting of the legislature. The  
15 report shall be for the last complete fiscal period and shall include  
16 at least the following:

17 Determinations as to whether agencies, in making expenditures,  
18 complied with the laws of this state(~~(:—PROVIDED, That)~~). Nothing in  
19 this section may be construed to grant the state auditor the right to  
20 perform performance audits. A performance audit for the purpose of  
21 this section is the examination of the effectiveness of the  
22 administration, its efficiency, and its adequacy in terms of the  
23 programs of departments or agencies as previously approved by the  
24 legislature. The authority and responsibility to conduct such an  
25 examination shall be vested in the legislative budget committee as  
26 prescribed in RCW 44.28.085.

27 (d) Be empowered to take exception to specific expenditures that  
28 have been incurred by any agency or to take exception to other  
29 practices related in any way to the agency's financial transactions and  
30 to cause such exceptions to be made a matter of public record,  
31 including disclosure to the agency concerned and to the director of  
32 financial management. It shall be the duty of the director of  
33 financial management to cause corrective action to be taken promptly,  
34 such action to include, as appropriate, the withholding of funds as  
35 provided in RCW 43.88.110.

36 (e) Promptly report any irregularities to the attorney general.

37 (f) Investigate improper governmental activity under chapter 42.40  
38 RCW.

39 (7) The legislative budget committee may:

1 (a) Make post audits of the financial transactions of any agency  
2 and management surveys and program reviews as provided for in RCW  
3 44.28.085. To this end the committee may in its discretion examine the  
4 books, accounts, and other records of any agency, official, or  
5 employee.

6 (b) Give information to the legislature or any legislative  
7 committee whenever required upon any subject relating to the  
8 performance and management of state agencies.

9 (c) Make a report to the legislature which shall include at least  
10 the following:

11 (i) Determinations as to the extent to which agencies in making  
12 expenditures have complied with the will of the legislature and in this  
13 connection, may take exception to specific expenditures or financial  
14 practices of any agencies; and

15 (ii) Such plans as it deems expedient for the support of the  
16 state's credit, for lessening expenditures, for promoting frugality and  
17 economy in agency affairs and generally for an improved level of fiscal  
18 management.

19 **Sec. 7.** RCW 74.13.090 and 1989 c 381 s 3 are each amended to read  
20 as follows:

21 (1) There is established a child care coordinating committee to  
22 provide coordination and communication between state agencies  
23 responsible for child care and early childhood education services. The  
24 child care coordinating committee shall be composed of not less than  
25 seventeen nor more than thirty-three members who shall include:

26 (a) One representative each from the department of social and  
27 health services, the department of community development, the office of  
28 the superintendent of public instruction, and any other agency having  
29 responsibility for regulation, provision, or funding of child care  
30 services in the state;

31 (b) One representative from the department of labor and industries;

32 (c) One representative from the department of trade and economic  
33 development;

34 (d) One representative from the department of revenue;

35 (e) One representative from the employment security department;

36 (f) One representative from the department of personnel;

37 (g) One representative from the department of health;



1        (h) At least one representative of family home child care providers  
2 and one representative of center care providers;

3        ~~((g))~~ (i) At least one representative of early childhood  
4 development experts;

5        ~~((h))~~ (j) At least one representative of school districts and  
6 teachers involved in the provision of child care and preschool  
7 programs;

8        ~~((i))~~ (k) At least one parent education specialist;

9        ~~((j))~~ (l) At least one representative of resource and referral  
10 programs;

11       ~~((k))~~ (m) One pediatric or other health professional;

12       ~~((l))~~ (n) At least one representative of college or university  
13 child care providers;

14       ~~((m))~~ (o) At least one representative of a citizen group  
15 concerned with child care;

16       ~~((n))~~ (p) At least one representative of a labor organization;

17       ~~((o))~~ (q) At least one representative of a head start - early  
18 childhood education assistance program agency;

19       ~~((p))~~ (r) At least one employer who provides child care  
20 assistance to employees;

21       ~~((q))~~ (s) Parents of children receiving, or in need of, child  
22 care, half of whom shall be parents needing or receiving subsidized  
23 child care and half of whom shall be parents who are able to pay for  
24 child care.

25       The named state agencies shall select their representative to the  
26 child care coordinating committee. The department of social and health  
27 services shall select the remaining members, considering  
28 recommendations from lists submitted by professional associations and  
29 other interest groups until such time as the committee adopts a member  
30 selection process. The department shall use any federal funds which  
31 may become available to accomplish the purposes of RCW 74.13.085  
32 through 74.13.095.

33       The committee shall elect officers from among its membership and  
34 shall adopt policies and procedures specifying the lengths of terms,  
35 methods for filling vacancies, and other matters necessary to the  
36 ongoing functioning of the committee. The secretary of social and  
37 health services shall appoint a temporary chair until the committee has  
38 adopted policies and elected a chair accordingly. Child care

1 coordinating committee members shall be reimbursed for travel expenses  
2 as provided in RCW 43.03.050 and 43.03.060.

3 (2) To the extent possible within available funds, the child care  
4 coordinating committee shall:

5 (a) Serve as an advisory coordinator for all state agencies  
6 responsible for early childhood or child care programs for the purpose  
7 of improving communication and interagency coordination;

8 (b) Annually review state programs and make recommendations to the  
9 agencies and the legislature which will maximize funding and promote  
10 furtherance of the policies set forth in RCW 74.13.085. Reports shall  
11 be provided to all appropriate committees of the legislature by  
12 December 1 of each year. At a minimum the committee shall:

13 (i) Review and propose changes to the child care subsidy system in  
14 its December 1989 report; and

15 (ii) Review alternative models for child care service systems, in  
16 the context of the policies set forth in RCW 74.13.085, and recommend  
17 to the legislature a new child care service structure; ((and

18 ~~(iii) Review options and make recommendations on the feasibility of~~  
19 ~~establishing an allocation for day care facilities when constructing~~  
20 ~~state buildings;))~~

21 (c) Review department of social and health services administration  
22 of the child care expansion grant program described in RCW 74.13.095;

23 (d) Review rules regarding child care facilities and services for  
24 the purpose of identifying those which unnecessarily obstruct the  
25 availability and affordability of child care in the state;

26 (e) Advise and assist the child care resource coordinator in  
27 implementing his or her duties under RCW 74.13.0903; ((and))

28 (f) Perform other functions to improve the quantity and quality of  
29 child care in the state, including compliance with existing and future  
30 prerequisites for federal funding; and

31 (g) Advise and assist the department of personnel in its  
32 responsibility for establishing policies and procedures that provide  
33 for the development of quality child care programs for state employees.

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