

2SHB 1777 - H AMD 613

By Representative Kagi

ADOPTED 06/29/2017

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that there is a
4 significant and critical need for additional early learning
5 facilities to meet the state's commitment to providing high quality
6 early learning opportunities to low-income children, including the
7 legal mandate to provide preschool opportunities through the early
8 childhood education and assistance program to all eligible children
9 by 2023.

10 The legislature further finds that private and public
11 partnerships and investments are critical to meeting the need for
12 increased classrooms necessary to deliver high quality early learning
13 opportunities to low-income children across Washington.

14 The legislature intends to provide state financial assistance to
15 leverage local and private resources to enable early childhood
16 education and assistance program contractors and child care providers
17 to expand, remodel, purchase, or construct early learning facilities
18 and classrooms necessary to support state-funded early learning
19 opportunities for low-income children.

20 NEW SECTION. **Sec. 2.** The department of early learning, in
21 consultation with stakeholders, shall review existing licensing
22 standards including, but not limited to, plumbing, fixtures, and
23 playground equipment, related to facility requirements to eliminate
24 potential barriers to licensing while ensuring the health and safety
25 of children in early learning programs. The department must create a
26 process by which projects for eligible organizations and school
27 districts receiving grants or loans from the early learning
28 facilities revolving account or the early learning facilities
29 development account created in section 4 of this act can be
30 preapproved under existing licensing standards related to facility

1 requirements. The licensing standards accepted in the preapproval are
2 the licensing standards that must be met upon project completion.

3 NEW SECTION. **Sec. 3.** Unless the context clearly requires
4 otherwise, the definitions in this section apply throughout this act:

5 (1) "Department" means the department of commerce.

6 (2) "Director" means the director of commerce.

7 (3) "Early learning facility" means a facility providing
8 regularly scheduled care for a group of children one month of age
9 through twelve years of age for periods of less than twenty-four
10 hours.

11 NEW SECTION. **Sec. 4.** (1) The early learning facilities
12 revolving account and the early learning facilities development
13 account are created in the state treasury.

14 (2) Revenues to the early learning facilities revolving account
15 shall consist of appropriations by the legislature, early learning
16 facilities grant and loan repayments, taxable bond proceeds, and all
17 other sources deposited in the account.

18 (3) Revenues to the early learning facilities development account
19 shall consist of tax-exempt bond proceeds.

20 (4) Expenditures from the accounts shall be used, in combination
21 with other private and public funding, for state matching funds for
22 the planning, renovation, purchase, and construction of early
23 learning facilities as established in sections 6 through 12 of this
24 act.

25 (5) Expenditures from the accounts are subject to appropriation
26 and the allotment provisions of chapter 43.88 RCW.

27 NEW SECTION. **Sec. 5.** (1) The department, in consultation with
28 the department of early learning, shall oversee the early learning
29 facilities revolving account and the early learning facilities
30 development account, and is the lead state agency for the early
31 learning facilities grant and loan program.

32 (2) It is the intent of the legislature that state funds invested
33 in the accounts be matched by private or local government funding.
34 Every effort shall be made to maximize funding available for early
35 learning facilities from public schools, community colleges,
36 education service districts, local governments, and private funders.

1 (3) Amounts used for program administration by the department may
2 not exceed an average of four percent of the appropriated funds.

3 (4) Commitment of state funds for construction, purchase, or
4 renovation of early learning facilities may be given only after
5 private or public match funds are committed. Private or public match
6 funds may consist of cash, equipment, land, buildings, or like-kind.
7 In determining the level of match required, the department shall take
8 into consideration the financial need of the applicant and the
9 economic conditions of the location of the proposed facility.

10 NEW SECTION. **Sec. 6.** (1) The department must expend moneys from
11 the early learning facilities revolving account to provide state
12 matching funds for early learning facilities grants or loans to
13 provide classrooms necessary for children to participate in the early
14 childhood education and assistance program and working connections
15 child care.

16 (2) The department must expend moneys from the early learning
17 facilities development account to provide state matching funds for
18 early learning facilities grants to provide classrooms necessary for
19 children to participate in the early childhood education and
20 assistance program and working connections child care.

21 (3) Funds expended from the accounts as specified in subsections
22 (1) and (2) of this section may fund projects only for:

23 (a) Eligible organizations identified in section 7 of this act;
24 and

25 (b) School districts.

26 (4)(a) Beginning August 1, 2017, the department shall:

27 (i) In consultation with the office of the superintendent of
28 public instruction, implement and administer the early learning
29 facilities grant and loan program for school districts as described
30 in sections 9(3) and 10(1) of this act; and

31 (ii) Contract with one or more nongovernmental private-public
32 partnerships that are certified by the community development
33 financial institutions fund to implement and administer grants and
34 loans funded through the early learning facilities revolving account
35 or for a grant funded through the early learning facilities
36 development account, for eligible organizations. Any nongovernmental
37 private-public partnership that is certified by the community
38 development financial institutions fund that is seeking early
39 learning fund resources must demonstrate an ability to raise funding

1 from private and other public entities for early learning facilities
2 construction projects.

3 (b) The department may allow the application of an eligible
4 organization for a grant or loan from the early learning facilities
5 revolving account or for a grant from the early learning facilities
6 development account created in section 4 of this act to be considered
7 without the involvement of the nongovernmental private-public
8 partnership that is certified by the community development financial
9 institutions fund if a nongovernmental private-public partnership
10 certified by the community development financial institutions fund is
11 not reasonably available to the location of the proposed facility or
12 if the eligible organization has sufficient ability and capacity to
13 proceed with a project absent the involvement of a nongovernmental
14 private-public partnership that is certified by the community
15 development financial institutions fund.

16 (5) The department shall monitor performance of the early
17 learning facilities grant and loan program. Any nongovernmental
18 private-public partnership that is certified by the community
19 development financial institutions fund receiving state funds for
20 purposes of this act shall provide annual reports, beginning July 1,
21 2018, to the department. The reports must include, but are not
22 limited to, the following:

23 (a) A list of projects funded through the early learning
24 facilities grant and loan program for eligible organizations to
25 include:

- 26 (i) Name;
- 27 (ii) Location;
- 28 (iii) Grant or loan amount;
- 29 (iv) Private match amount;
- 30 (v) Public match amount;
- 31 (vi) Number of early learners served; and
- 32 (vii) Other elements as required by the department;

33 (b) A demonstration of sufficient investment of private match
34 funds; and

35 (c) A description of how the projects met the criteria described
36 in section 10 of this act.

37 NEW SECTION. **Sec. 7.** (1) Organizations eligible to receive
38 funding from the early learning facilities grant and loan program
39 include:

- 1 (a) Early childhood education and assistance program providers;
- 2 (b) Working connections child care providers who are eligible to
- 3 receive state subsidies;
- 4 (c) Licensed early learning centers not currently participating
- 5 in the early childhood education and assistance program, but
- 6 intending to do so;
- 7 (d) Developers of housing and community facilities;
- 8 (e) Community and technical colleges;
- 9 (f) Educational service districts;
- 10 (g) Local governments;
- 11 (h) Federally recognized tribes in the state; and
- 12 (i) Religiously affiliated entities.
- 13 (2) To be eligible to receive funding from the early learning
- 14 facilities grant and loan program for activities described in section
- 15 8(1) (b) and (c) and (2) of this act, eligible organizations and
- 16 school districts must:
- 17 (a) Commit to being an active participant in good standing with
- 18 the early achievers program as defined by chapter 43.215 RCW;
- 19 (b) Demonstrate that projects receiving construction, purchase,
- 20 or renovation grants or loans less than two hundred thousand dollars
- 21 must also:
- 22 (i) Demonstrate that the project site is under the applicant's
- 23 control for a minimum of ten years, either through ownership or a
- 24 long-term lease; and
- 25 (ii) Commit to using the facility funded by the grant or loan for
- 26 the purposes of providing preschool or child care for a minimum of
- 27 ten years;
- 28 (c) Demonstrate that projects receiving construction, purchase,
- 29 or renovation grants or loans of two hundred thousand dollars or more
- 30 must also:
- 31 (i) Demonstrate that the project site is under the applicant's
- 32 control for a minimum of twenty years, either through ownership or a
- 33 long-term lease; and
- 34 (ii) Commit to using the facility funded by the grant or loan for
- 35 the purposes of providing preschool or child care for a minimum of
- 36 twenty years.
- 37 (3) To be eligible to receive funding from the early learning
- 38 facilities grant and loan program for activities described in section
- 39 8(1) (b) and (c) and (2) of this act, religiously affiliated entities

1 must use the facility to provide child care and education services
2 consistent with subsection (4)(a) of this section.

3 (4)(a) Upon receiving a grant or loan, the recipient must
4 continue to be an active participant and in good standing with the
5 early achievers program.

6 (b) If the recipient does not meet the conditions specified in
7 (a) of this subsection, the grants shall be repaid to the early
8 learning facilities revolving account or the early learning
9 facilities development account, as directed by the department. So
10 long as an eligible organization continues to provide an early
11 learning program in the facility, the facility is used as authorized,
12 and the eligible organization continues to be an active participant
13 and in good standing with the early achievers program, the grant
14 repayment is waived.

15 (c) The department, in consultation with the department of early
16 learning, must adopt rules to implement this section.

17 NEW SECTION. **Sec. 8.** (1) Activities eligible for funding
18 through the early learning facilities grant and loan program for
19 eligible organizations include:

20 (a) Facility predesign grants or loans of no more than ten
21 thousand dollars to allow eligible organizations to secure
22 professional services or consult with organizations certified by the
23 community development financial institutions fund to plan for and
24 assess the feasibility of early learning facilities projects or
25 receive other technical assistance to design and develop projects for
26 construction funding;

27 (b) Grants or loans of no more than one hundred thousand dollars
28 for minor renovations or repairs of existing early learning
29 facilities; and

30 (c) Major construction and renovation grants or loans and grants
31 or loans for facility purchases of no more than eight hundred
32 thousand dollars to create or expand early learning facilities.

33 (2) Activities eligible for funding through the early learning
34 facilities grant and loan program for school districts include major
35 construction, purchase, and renovation grants or loans of no more
36 than eight hundred thousand dollars to create or expand early
37 learning facilities that received priority and ranking as described
38 in section 10 of this act.

1 (3) Beginning July 1, 2018, amounts in this section must be
2 increased annually by the United States implicit price deflator for
3 state and local government construction provided by the office of
4 financial management.

5 NEW SECTION. **Sec. 9.** (1) It is the intent of the legislature
6 that state funds invested in the early learning facilities grant and
7 loan program be matched by private or local government funding. Every
8 effort shall be made to maximize funding available for early learning
9 facilities from public schools, community colleges, education service
10 districts, local governments, and private funders.

11 (2) In the administration of the early learning facilities grant
12 and loan program for eligible organizations, any nongovernmental
13 private-public partnership that is certified by the community
14 development financial institutions fund contracted with the
15 department shall award grants or loans as described in section 8 of
16 this act, that meet the criteria described in section 10 of this act,
17 through an application process or in compliance with state and
18 federal requirements of the funding source.

19 (3) In the administration of the early learning facilities grant
20 and loan program for school districts, the department, in
21 coordination with the office of the superintendent of public
22 instruction, shall submit a ranked and prioritized list of proposed
23 purchases and major construction or renovation of early learning
24 facilities projects for school districts subject to the
25 prioritization methodology described in section 10 of this act to the
26 office of financial management and the relevant legislative
27 committees by December 15, 2017, and by September 15th of even-
28 numbered years thereafter.

29 NEW SECTION. **Sec. 10.** (1) The department shall convene a
30 committee of early learning facilities experts to advise the
31 department regarding the prioritization methodology of applications
32 for projects described in section 8 of this act including no less
33 than one representative each from the department of early learning,
34 the Washington state housing finance commission, an organization
35 certified by the community development financial institutions fund,
36 and the office of the superintendent of public instruction.

37 (2) When developing a prioritization methodology under this
38 section, the committee shall consider, but is not limited to:

1 (a) Projects that add part-day, full-day, or extended day early
2 childhood education and assistance program slots in areas with the
3 highest unmet need;

4 (b) Projects benefiting low-income children;

5 (c) Projects located in low-income neighborhoods;

6 (d) Projects that provide more access to the early childhood
7 education and assistance program as a ratio of the children eligible
8 to participate in the program;

9 (e) Projects that are geographically disbursed relative to
10 statewide need;

11 (f) Projects that include new or renovated kitchen facilities
12 equipped to support the use of from scratch, modified scratch, or
13 other cooking methods that enhance overall student nutrition;

14 (g) Projects that balance mixed-use development and rural
15 locations; and

16 (h) Projects that maximize resources available from the state
17 with funding from other public and private organizations, including
18 the use of state lands or facilities.

19 (3) Committee members shall serve without compensation, but may
20 request reimbursement for travel expenses as provided in RCW
21 43.03.050 and 43.03.060.

22 (4) Committee members are not liable to the state, the early
23 learning facilities revolving account, the early learning facilities
24 development account, or to any other person, as a result of their
25 activities, whether ministerial or discretionary, as members except
26 for willful dishonesty or intentional violation of the law.

27 (5) The department may purchase liability insurance for members
28 and may indemnify these persons against the claims of others.

29 NEW SECTION. **Sec. 11.** When funding is provided in the previous
30 biennium, the department, in collaboration with the department of
31 early learning, shall submit a report no later than December 1st of
32 even-numbered years, to the governor and the appropriate committees
33 of the legislature that provides an update on the status of the early
34 learning facilities grant and loan program that includes, but is not
35 limited to:

36 (1) The total amount of funds, by grant and loan, spent or
37 contracted to be spent; and

38 (2) A list of projects awarded funding including, but not limited
39 to, information about whether the project is a renovation or new

1 construction or some other category, where the project is located,
2 and the number of slots the project supports.

3 **Sec. 12.** RCW 43.84.092 and 2016 c 194 s 5, 2016 c 161 s 20, and
4 2016 c 112 s 4 are each reenacted and amended to read as follows:

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

8 (2) The treasury income account shall be utilized to pay or
9 receive funds associated with federal programs as required by the
10 federal cash management improvement act of 1990. The treasury income
11 account is subject in all respects to chapter 43.88 RCW, but no
12 appropriation is required for refunds or allocations of interest
13 earnings required by the cash management improvement act. Refunds of
14 interest to the federal treasury required under the cash management
15 improvement act fall under RCW 43.88.180 and shall not require
16 appropriation. The office of financial management shall determine the
17 amounts due to or from the federal government pursuant to the cash
18 management improvement act. The office of financial management may
19 direct transfers of funds between accounts as deemed necessary to
20 implement the provisions of the cash management improvement act, and
21 this subsection. Refunds or allocations shall occur prior to the
22 distributions of earnings set forth in subsection (4) of this
23 section.

24 (3) Except for the provisions of RCW 43.84.160, the treasury
25 income account may be utilized for the payment of purchased banking
26 services on behalf of treasury funds including, but not limited to,
27 depository, safekeeping, and disbursement functions for the state
28 treasury and affected state agencies. The treasury income account is
29 subject in all respects to chapter 43.88 RCW, but no appropriation is
30 required for payments to financial institutions. Payments shall occur
31 prior to distribution of earnings set forth in subsection (4) of this
32 section.

33 (4) Monthly, the state treasurer shall distribute the earnings
34 credited to the treasury income account. The state treasurer shall
35 credit the general fund with all the earnings credited to the
36 treasury income account except:

37 (a) The following accounts and funds shall receive their
38 proportionate share of earnings based upon each account's and fund's
39 average daily balance for the period: The aeronautics account, the

1 aircraft search and rescue account, the Alaskan Way viaduct
2 replacement project account, the brownfield redevelopment trust fund
3 account, the budget stabilization account, the capital vessel
4 replacement account, the capitol building construction account, the
5 Cedar River channel construction and operation account, the Central
6 Washington University capital projects account, the charitable,
7 educational, penal and reformatory institutions account, the Chehalis
8 basin account, the cleanup settlement account, the Columbia river
9 basin water supply development account, the Columbia river basin
10 taxable bond water supply development account, the Columbia river
11 basin water supply revenue recovery account, the common school
12 construction fund, the community forest trust account, the connecting
13 Washington account, the county arterial preservation account, the
14 county criminal justice assistance account, the deferred compensation
15 administrative account, the deferred compensation principal account,
16 the department of licensing services account, the department of
17 retirement systems expense account, the developmental disabilities
18 community trust account, the diesel idle reduction account, the
19 drinking water assistance account, the drinking water assistance
20 administrative account, the drinking water assistance repayment
21 account, the early learning facilities development account, the early
22 learning facilities revolving account, the Eastern Washington
23 University capital projects account, the Interstate 405 express toll
24 lanes operations account, the education construction fund, the
25 education legacy trust account, the election account, the electric
26 vehicle charging infrastructure account, the energy freedom account,
27 the energy recovery act account, the essential rail assistance
28 account, The Evergreen State College capital projects account, the
29 federal forest revolving account, the ferry bond retirement fund, the
30 freight mobility investment account, the freight mobility multimodal
31 account, the grade crossing protective fund, the public health
32 services account, the high capacity transportation account, the state
33 higher education construction account, the higher education
34 construction account, the highway bond retirement fund, the highway
35 infrastructure account, the highway safety fund, the high occupancy
36 toll lanes operations account, the hospital safety net assessment
37 fund, the industrial insurance premium refund account, the judges'
38 retirement account, the judicial retirement administrative account,
39 the judicial retirement principal account, the local leasehold excise
40 tax account, the local real estate excise tax account, the local

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

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

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

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. 13.** RCW 43.185.050 and 2013 c 145 s 2 are each amended to
34 read as follows:

35 (1) The department must use moneys from the housing trust fund
36 and other legislative appropriations to finance in whole or in part
37 any loans or grant projects that will provide housing for persons and
38 families with special housing needs and with incomes at or below
39 fifty percent of the median family income for the county or standard

1 metropolitan statistical area where the project is located. At least
2 thirty percent of these moneys used in any given funding cycle shall
3 be for the benefit of projects located in rural areas of the state as
4 defined by the department. If the department determines that it has
5 not received an adequate number of suitable applications for rural
6 projects during any given funding cycle, the department may allocate
7 unused moneys for projects in nonrural areas of the state.

8 (2) Activities eligible for assistance from the housing trust
9 fund and other legislative appropriations include, but are not
10 limited to:

11 (a) New construction, rehabilitation, or acquisition of low and
12 very low-income housing units;

13 (b) Rent subsidies;

14 (c) Matching funds for social services directly related to
15 providing housing for special-need tenants in assisted projects;

16 (d) Technical assistance, design and finance services and
17 consultation, and administrative costs for eligible nonprofit
18 community or neighborhood-based organizations;

19 (e) Administrative costs for housing assistance groups or
20 organizations when such grant or loan will substantially increase the
21 recipient's access to housing funds other than those available under
22 this chapter;

23 (f) Shelters and related services for the homeless, including
24 emergency shelters and overnight youth shelters;

25 (g) Mortgage subsidies, including temporary rental and mortgage
26 payment subsidies to prevent homelessness;

27 (h) Mortgage insurance guarantee or payments for eligible
28 projects;

29 (i) Down payment or closing cost assistance for eligible first-
30 time home buyers;

31 (j) Acquisition of housing units for the purpose of preservation
32 as low-income or very low-income housing; and

33 (k) Projects making housing more accessible to families with
34 members who have disabilities.

35 (3) Preference shall be given for projects that include an early
36 learning facility.

37 (4) Legislative appropriations from capital bond proceeds may be
38 used only for the costs of projects authorized under subsection
39 (2)(a), (i), and (j) of this section, and not for the administrative
40 costs of the department.

1 (~~(4)~~) (5) Moneys from repayment of loans from appropriations
2 from capital bond proceeds may be used for all activities necessary
3 for the proper functioning of the housing assistance program except
4 for activities authorized under subsection (2)(b) and (c) of this
5 section.

6 (~~(5)~~) (6) Administrative costs associated with application,
7 distribution, and project development activities of the department
8 may not exceed three percent of the annual funds available for the
9 housing assistance program. Reappropriations must not be included in
10 the calculation of the annual funds available for determining the
11 administrative costs.

12 (~~(6)~~) (7) Administrative costs associated with compliance and
13 monitoring activities of the department may not exceed one-quarter of
14 one percent annually of the contracted amount of state investment in
15 the housing assistance program.

16 NEW SECTION. **Sec. 14.** Sections 2 through 11 of this act are
17 each added to chapter 43.31 RCW.

18 NEW SECTION. **Sec. 15.** This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of
20 the state government and its existing public institutions, and takes
21 effect immediately."

22 Correct the title.

EFFECT: Changes the entitlement date in the intent section for the Early Childhood Education and Assistance Program (ECEAP) from 2021 to 2023.

Requires the Department of Early Learning (DEL) to create a process by which projects receiving grants or loans can be preapproved under existing licensing standards related to facility requirements. The licensing standards accepted in the preapproval are the standards that must be met upon project completion.

Creates the Early Learning Facilities Development Account in addition to the Early Learning Facilities Revolving Account. Revenues to the Early Learning Facilities Revolving Account also include taxable bond proceeds and can be used for grants or loans. Only tax-exempt bond proceeds may be deposited into the Early Learning Facilities Development Account and expenditures from the account must be used to provide state matching funds for early learning facilities grants only. The accounts are allowed to maintain the earnings on investments. Proceeds into the accounts may be used for purchase as well as planning, renovation, and construction of early learning facilities.

The Department of Commerce (Commerce) may use no more than four percent of the appropriated funds for program administration.

Commerce may allow an applicant to not use a Community Development Financial Institutions (CDFI) if one is not reasonably available to the location of the proposed facility or if the applicant has sufficient ability and capacity to proceed without a CDFI.

Adds religiously affiliated entities and for-profit childcare providers as eligible organizations to obtain funding from the grant and loan program. Requires religious organizations to utilize facilities receiving grant or loan funds from the program to provide child care and education services consistent with the early achievers program.

Requires grant funds be repaid if the facility is used for unauthorized purposes. Criteria for waiving grant repayments by eligible organizations includes that the facility is used as authorized in addition to continuing to be an active participant in the early achievers program.

Requires Commerce to adopt rules to implement the program instead of authorizing Commerce to adopt rules.

Requires Commerce to coordinate with the Office of the Superintendent of Public Instruction to submit a ranked and prioritized list of school district projects for future funding. The initial list is due December 15, 2017, and thereafter by September 15th of even-numbered years.

Modifies the prioritization methodology to exclude providing the most FTE ECEAP slots for the least construction costs per slot.

Requires Commerce, in collaboration with the DEL, to submit a status report of the program no later than December 1st of even-numbered years to the Governor and the appropriate committees of the Legislature.

Prioritizes housing trust fund projects that include an early learning facility.

Removes the null and void clause.

Includes an emergency clause for the bill.

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