
SENATE BILL 5484

State of Washington

65th Legislature

2017 Regular Session

By Senators Honeyford, Rolfes, Billig, Chase, and Keiser; by request of Department of Early Learning

Read first time 01/26/17. Referred to Committee on Ways & Means.

1 AN ACT Relating to updating the early learning facilities fund
2 program; and amending RCW 43.31.502, 43.31.504, 43.31.506, 43.31.508,
3 43.31.512, and 43.31.514.

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

5 **Sec. 1.** RCW 43.31.502 and 1991 c 248 s 1 are each amended to
6 read as follows:

7 (1) (~~(A child care)~~) An early learning facility revolving fund is
8 created. Money in the fund shall be used solely for the purpose of
9 starting or improving ((a child care)) an early learning facility
10 that is participating in the early achievers program pursuant to this
11 section and RCW ((43.31.085 and 43.31.502)) 43.31.504 through
12 43.31.514. Only moneys from private, state, or federal sources may be
13 deposited into this fund. The early learning facility fund committee
14 may use for the fund loan and grant repayments and other funding
15 provided to the early learning facilities fund program.

16 (2) (~~(Funds provided under this section shall not be subject to~~
17 ~~reappropriation. The child care facility fund committee may use loan~~
18 ~~and grant repayments and income for the revolving fund program)) For
19 purposes of this section and RCW 43.31.504 through 43.31.514, "early
20 learning facility" means a facility providing regularly scheduled~~

1 care for a group of children one month of age through twelve years of
2 age for periods of less than twenty-four hours.

3 **Sec. 2.** RCW 43.31.504 and 1993 c 280 s 45 are each amended to
4 read as follows:

5 (1) The ((child-care)) early learning facility fund committee is
6 established within the ((business assistance center of the department
7 of community, trade, and economic development. The committee shall
8 administer the child care facility fund, with review by the director
9 of community, trade, and economic development)) department of early
10 learning. The department of early learning must establish the
11 policies and rules for the implementation of the purposes described
12 in RCW 43.31.502. The department of commerce is responsible for
13 ensuring that the early learning facility fund committee properly
14 administers the early learning facility revolving fund. The early
15 learning facility fund committee is responsible for awarding grants
16 and loan guarantees to successful applicants from the early learning
17 facility revolving fund.

18 ((+1)) (2) The committee ((shall-have)) membership comprises
19 five members. ((The director of community, trade, and economic
20 development shall appoint the members, who shall include)) Each
21 committee member shall be appointed as described in this subsection:

22 (a) ((Two persons experienced in investment finance and having
23 skills in providing capital to new businesses, in starting and
24 operating businesses, and providing professional services to small or
25 expanding businesses;)) One person appointed by the governor;

26 (b) One person ((representing a philanthropic organization with
27 experience in evaluating funding requests)) appointed by the office
28 of the superintendent of public instruction with experience and
29 expertise in facility planning, new construction, and modernization
30 of kindergarten through twelfth grade education facilities;

31 (c) One person appointed by the director of the department of
32 early learning with experience and expertise in early childhood
33 education;

34 ((+e)) (d) One ((child-care services expert)) person appointed
35 by the director of the department of commerce with experience and
36 expertise in competitive grants programs and capital projects for
37 constructing new or renovating public facilities; and

38 ((+d)) (e) One ((early childhood development expert)) person
39 appointed by the executive director of the Washington state housing

1 finance commission with experience and expertise selling tax exempt
2 bonds to lenders making loans to nonprofits for new construction and
3 capital improvements of facilities.

4 (3) In making these appointments, ~~((the director shall give))~~
5 careful consideration shall be given to ensure that the various
6 geographic regions of the state are represented and that members will
7 be available for meetings and are committed to working cooperatively
8 to address ~~((child care))~~ early learning facility needs in Washington
9 state.

10 ~~((+2))~~ (4) The ~~((committee shall elect officers from among its~~
11 ~~membership and))~~ department of early learning shall adopt rules,
12 policies, and procedures specifying the lengths of terms, methods for
13 filling vacancies, and other matters necessary to the ongoing
14 functioning of the committee.

15 ~~((+3))~~ (5) Committee members shall serve without compensation,
16 but may request reimbursement for travel expenses as provided in RCW
17 43.03.050 and 43.03.060.

18 ~~((+4))~~ (6) Committee members shall not be liable to the state,
19 to the ~~((child care))~~ early learning facility revolving fund, or to
20 any other person as a result of their activities, whether ministerial
21 or discretionary, as members except for willful dishonesty or
22 intentional violation of the law. The department of ~~((community,~~
23 ~~trade, and economic development))~~ early learning may purchase
24 liability insurance for members and may indemnify these persons
25 against the claims of others.

26 **Sec. 3.** RCW 43.31.506 and 1991 c 248 s 2 are each amended to
27 read as follows:

28 (1) The ~~((child care))~~ early learning facility fund committee is
29 authorized to solicit applications for and award grants ~~((and loans))~~
30 from the ~~((child care))~~ early learning facility revolving fund to
31 assist persons, ~~((businesses))~~ educational service districts, local
32 school districts, local governments, state government agencies,
33 community and technical colleges, federally recognized tribes, or
34 organizations to start ((a)) an early childhood education assistance
35 program facility or a nonprofit licensed ((child care)) early
36 learning facility, or to make capital improvements in an existing
37 early childhood education assistance program facility or a nonprofit
38 licensed ((child care)) early learning facility. Grants ~~((and loans~~
39 ~~shall be awarded on a one-time only basis, and))~~ shall not be awarded

1 to cover operating expenses beyond the first three months of
2 business. The types and amount of operating expenses must be approved
3 by the early learning facility fund committee. No grant shall exceed
4 ~~((twenty-five))~~ five hundred thousand dollars. ~~((No loan shall exceed~~
5 ~~one hundred thousand dollars.))~~

6 (2) To be eligible for a grant or loan guarantee the applicant
7 must be an active participant in good standing with the early
8 achievers program, as defined by chapter 43.215 RCW. After receiving
9 a grant or loan guarantee, the grantee must continue to be an active
10 participant and in good standing with the early achievers program.

11 (3) A grantee that fails to remain an early achievers program
12 active participant in good standing must repay the grant amount to
13 the early learning facility revolving fund pursuant to RCW 43.31.514.

14 **Sec. 4.** RCW 43.31.508 and 1989 c 430 s 6 are each amended to
15 read as follows:

16 (1) The ~~((child-care))~~ early learning facility fund committee is
17 authorized, upon application, to use the ~~((child-care))~~ early
18 learning facility revolving fund to guarantee loans made to persons,
19 ~~((businesses,))~~ educational service districts, local school
20 districts, local governments, state government agencies, community
21 and technical colleges, federally recognized tribes, or organizations
22 to start ~~((a))~~ an early childhood education assistance program
23 facility or a nonprofit licensed ~~((child-care))~~ early learning
24 facility, or to make capital improvements in an existing early
25 childhood education assistance program facility or a nonprofit
26 licensed ~~((child-care))~~ early learning facility.

27 ~~((1))~~ (2) Loan guarantees ~~((shall be awarded on a one-time only~~
28 basis, and)) shall not be awarded for loans to cover operating
29 expenses beyond the first three months of business. The types and
30 amount of operating expenses must be approved by the early learning
31 facility fund committee.

32 ~~((2))~~ (3) The total aggregate amount of the loan guarantee
33 awarded to any applicant may not exceed ~~((twenty-five))~~ one hundred
34 twenty-five thousand dollars and may not exceed eighty percent of the
35 loan.

36 ~~((3))~~ (4) The total aggregate amount of guarantee from the
37 ~~((child-care))~~ early learning facility revolving fund, with respect
38 to the guaranteed portions of loans, may not exceed at any time an

1 amount equal to five times the balance in the ((child-care)) early
2 learning facility revolving fund.

3 (5) To be eligible for a loan guarantee the applicant must be an
4 active participant in good standing with the early achievers program,
5 as defined by chapter 43.215 RCW. After receiving the loan guarantee,
6 the grantee must continue to be an active participant and in good
7 standing with the early achievers program.

8 **Sec. 5.** RCW 43.31.512 and 1989 c 430 s 7 are each amended to
9 read as follows:

10 (1) The ((child-care)) early learning facility fund committee
11 shall award loan guarantees(~~(, loans)~~) or grants to those persons,
12 ((businesses,)) educational service districts, local school
13 districts, local governments, state government agencies, community
14 and technical colleges, federally recognized tribes, or organizations
15 meeting the minimum standards set forth in this chapter who will best
16 serve the intent of the chapter to increase the availability of high
17 quality, affordable ((child-care)) early learning in Washington
18 state.

19 (2) The ((committee)) department of early learning shall
20 ((promulgate)) adopt rules, policies, and procedures ((regarding))
21 for the application ((for)) and disbursement of loan guarantees(~~(, loans,~~)
22 ~~(,)~~ or grants from the fund, including ((loan)) terms and
23 ((repayment)) procedures. At a minimum, such rules shall require an
24 applicant to submit a plan which includes a detailed description of:

25 ((+1)) (a) The need for a new or improved ((child-care)) early
26 learning facility in the area served by the applicant;

27 ((+2)) (b) The steps the applicant will take to serve a
28 reasonable number of handicapped children as defined in chapter 72.40
29 RCW, sick children, infants, children requiring nighttime or weekend
30 care, or children whose costs of care are subsidized by government;

31 ((+3)) (c) Why financial assistance from the state is needed to
32 start or improve the ((child-care)) early learning facility;

33 ((+4)) (d) How the loan guarantee(~~(d loan, loan,)~~) or grant will
34 be used, and how such uses will meet the described need;

35 ((+5)) (e) The ((child-care)) early learning services to be
36 available at the facility and the capacity of the applicant to
37 provide those services; and

38 ((+6)) (f) The financial status of the applicant, including
39 other resources available to the applicant which will ensure the

1 continued viability of the facility and the availability of its
2 described services.

3 (3) To be eligible for a grant or loan guarantee the applicant
4 must be an active participant in good standing with the early
5 achievers program, as defined by chapter 43.215 RCW. After receiving
6 a grant or loan guarantee, the grantee must continue to be an active
7 participant and in good standing with the early achievers program.

8 (4) Recipients shall, annually for two years following the
9 receipt of the loan guarantee(~~(,—loan,)~~) or grant, submit to the
10 ((child-care)) early learning facility fund committee a report on the
11 facility and how it is meeting the ((child-care)) early learning
12 needs for which it was intended.

13 **Sec. 6.** RCW 43.31.514 and 1989 c 430 s 8 are each amended to
14 read as follows:

15 ~~((Where))~~ (1) If the ((child-care)) early learning facility fund
16 committee makes a grant under RCW 43.31.506 or 43.31.512 to a
17 ((person, organization, or business)) grantee, the grant shall be
18 repaid to the ((child-care)) early learning facility revolving fund
19 if the ((child-care facility using the grant to start or expand))
20 grantee ceases to ((provide child care earlier than the following
21 time periods from the date the grant is made:

22 ~~(1) Twelve months for a grant up to five thousand dollars; (2)~~
23 ~~twenty four months for a grant over five thousand dollars up to ten~~
24 ~~thousand dollars; (3) thirty six months for a grant over ten thousand~~
25 ~~dollars up to fifteen thousand dollars; (4) forty eight months for a~~
26 ~~grant over fifteen thousand dollars up to twenty thousand dollars;~~
27 ~~and (5) sixty months for a grant over twenty thousand dollars up to~~
28 ~~twenty five thousand dollars)) remain an active participant in good~~
29 ~~standing in the early achievers program, as defined by chapter 43.215~~
30 ~~RCW.~~

31 (2) The repayment amount must be equal to a percentage of the
32 original grant amount received and may be up to one hundred percent.
33 The number of years the grantee was in good standing in the early
34 achievers program is the basis for determining the proper repayment
35 percentage amount. The number of years must be calculated from the
36 date of the grant to the date the grantee fails to remain an active
37 participant in good standing with the early achievers program. The
38 department of early learning shall adopt rules that define the

1 repayment process and the repayment percentage amounts consistent
2 with this subsection.

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