
SUBSTITUTE HOUSE BILL 1344

State of Washington

66th Legislature

2019 Regular Session

By House Human Services & Early Learning (originally sponsored by Representatives Reeves, Ryu, Sells, Valdez, Goodman, Robinson, Shewmake, Stonier, Macri, Kilduff, Leavitt, and Pollet)

READ FIRST TIME 02/14/19.

1 AN ACT Relating to establishing the Washington child care access
2 now act; amending 2018 c 91 s 1 (uncodified); adding new sections to
3 chapter 43.330 RCW; creating new sections; and providing expiration
4 dates.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that child care
7 is a sector that is critical to the vitality and economic security of
8 our state and communities and families, and that families in
9 Washington face significant barriers to accessing and affording high
10 quality child care. The legislature finds that Washington's committed
11 caregivers and state investments and advancements in our quality
12 rating and improvement system ensure that quality, culturally
13 relevant child care supports children's healthy development and
14 prepares them for success in school and in life. The legislature
15 recognizes that provider diversity and cultural relevance are
16 fundamental components of quality, and that parent choice is a
17 priority throughout the state's early learning system.

18 (2) The legislature finds that the cost of quality child care is
19 unaffordable for many families and state support is needed to ensure
20 that all children and families in Washington can access safe,
21 enriching child care.

1 (3) The legislature recognizes that expanding access to quality
2 child care requires ensuring that the market of child care providers
3 is prepared to meet existing and expanded demand. The legislature
4 finds that the market of child care providers is shrinking, that
5 child care deserts are expanding, and that fewer providers are
6 offering services to working connections child care subsidy
7 recipients, as the costs associated with ensuring safe, healthy
8 environments where children are loved and learning are unaffordable
9 to families and underfunded by subsidy rates. The legislature
10 additionally finds that child care providers are unable to recruit
11 and retain a qualified workforce because there are not sufficient
12 resources to competitively compensate qualified caregivers; that
13 wages in the industry remain among the lowest of all professions, at
14 or near minimum wage, even as the relationship between a child and a
15 qualified caregiver is of paramount importance to parents; and,
16 according to a rapidly accumulating body of brain science, it is
17 foundational to supporting healthy development.

18 (4) Therefore, the legislature intends to promote high quality
19 child care from diverse providers that is accessible and affordable
20 to all families of Washington's children ages birth to five by:

21 (a) Capping family child care expenses at seven percent of a
22 family's income for subsidized child care;

23 (b) Setting working connections child care subsidy rates at a
24 level adequate to fund basic components of quality, reflect regional
25 differences, and competitively compensate caregivers; and

26 (c) Establishing the goal of universal child care access for all
27 Washington families by 2025.

28 (5) Further, while the system awaits systemic change, immediate
29 steps must be taken to begin to preserve and expand access to child
30 care for child care subsidy recipients, stabilize the child care
31 industry, and reduce turnover in the workforce. Therefore, the
32 legislature intends to:

33 (a) Raise base subsidy rates for licensed child care centers and
34 family homes to the seventy-fifth percentile of market rates and
35 further incentivize the provision of care for infants and toddlers by
36 considering rates for providers serving these young children; and

37 (b) Fund the career and wage ladder described in RCW 43.216.675
38 for all licensed child care centers and family home providers who are
39 participating in early achievers. The department of children, youth,
40 and families may additionally assist child care facilities that are

1 participating in early achievers and who have adopted the career
2 ladder, with wage increments for child care workers who gain
3 additional work experience or work responsibility.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330
5 RCW to read as follows:

6 (1) The department shall enter into one or more contracts for the
7 development of a regional assessment of the child care industry in
8 Washington in order to better understand issues affecting child care
9 access and affordability for families. The department shall conduct
10 one or more competitive solicitations in accordance with chapter
11 39.26 RCW to select a third-party entity or entities to conduct the
12 industry assessment in partnership with a statewide organization
13 representing parents. The third-party entity or entities selected by
14 the department through the competitive process must have experience
15 in national industry assessment and expertise in conducting
16 facilities' needs assessments. The statewide organization
17 representing parents must have experience conducting parent listening
18 tours.

19 (2) The industry assessment must be submitted to the appropriate
20 policy and fiscal committees of the legislature, the governor, and
21 the members of the child care collaborative task force established in
22 chapter 91, Laws of 2018 by July 1, 2020. The assessment must, at a
23 minimum:

24 (a) Incorporate current data on the number of children age twelve
25 and under who are receiving care from child care and early learning
26 providers. The data must differentiate, to the extent possible:
27 Children served by licensed and certified child care centers and
28 family homes; public schools providing preschool and child care
29 programs; private schools providing child care programs; state
30 agencies and other public municipalities providing child care
31 programs; license-exempt providers who care for children for four
32 hours or less per day; family, friend, and neighbor caregivers;
33 nannies and au pairs; religious organizations providing care;
34 entities providing before-and-after school care; employer-supported
35 child care; and other formal and informal networks of care. The data
36 must include a breakdown, by provider type, of the:

- 37 (i) Number of children receiving state subsidized care;
38 (ii) Number of children receiving exclusively private pay care;

1 (iii) Number of providers who are accepting state subsidy and,
2 for providers who are not accepting subsidy, reasons why not;

3 (iv) Demographics of children served, including age, race, rates
4 of developmental delays or disability, family income, home language,
5 and population group trends. Demographic information must include
6 military families and homeless families; and

7 (v) Demographics of providers, including age, race, family
8 income, home language, number of years providing care, education
9 levels, utilization rates of state assistance, and the number of
10 times a provider has changed locations;

11 (b) Define and describe the characteristics of the informal child
12 care market, including estimates of the children served in this
13 market by age group;

14 (c) Identify family child care choices by family income bracket;

15 (d) Include a visual representation of child care supply and
16 demand by region that identifies areas with the highest need related
17 to child care accessibility and affordability;

18 (e) Identify trends in the relationship between private pay rates
19 and subsidy rates for child care providers;

20 (f) Include an analysis of the industry's measurable contribution
21 to the state's economy, including:

22 (i) Employment and wage information for self-employed licensed
23 child care providers and the employees of licensed child care
24 providers, including information about providers accessing public
25 assistance;

26 (ii) Workforce pipeline data for early learning professions;

27 (iii) The estimated costs to the state economy of child care
28 inaccessibility, including lost economic activity and reduced tax
29 revenue; and

30 (iv) Direct and indirect effects on labor participation,
31 workplace productivity, and household earnings of working parents who
32 use child care. The analysis must include information related to the
33 workplace productivity of workers using employer-supported child
34 care; and

35 (g) Include a facilities needs assessment to determine the type
36 and number of child care facilities necessary to address unmet
37 capacity needs for high quality child care programs such as the early
38 childhood education and assistance program, headstart, working
39 connections child care, and early head start. The needs assessment

1 must include zip code level analysis to identify geographic areas
2 with concentrated barriers to access.

3 (3) For the purposes of this section, "employer-supported child
4 care" means:

5 (a) A licensed child care center operated at or near the
6 workplace by an employer for the benefit of employees; or

7 (b) Financial assistance provided by an employer for licensed
8 child care expenses incurred by an employee.

9 (4) This section expires December 31, 2020.

10 **Sec. 3.** 2018 c 91 s 1 (uncodified) is amended to read as
11 follows:

12 (1) The department of commerce and the department of children,
13 youth, and families shall jointly convene and facilitate a child care
14 collaborative task force to:

15 (a) Examine the effects of child care affordability and
16 accessibility on the workforce and on businesses; and

17 (b) Develop policy recommendations pursuant to section 5 of this
18 act. (~~The director of the department of commerce or his or her~~
19 ~~designee must convene the first meeting of the task force by~~
20 ~~September 1, 2018.~~)

21 (2) The task force shall develop policies and recommendations to
22 incentivize employer-supported child care and improve child care
23 access and affordability for employees. To accomplish its duties, the
24 task force shall evaluate current available data including, but not
25 limited to:

26 (a) Child care market rate survey reports, including data related
27 to the geographic distribution of licensed child care providers and
28 the demand for, cost, and availability of such providers;

29 (b) Best practices for employer-supported child care; (~~and~~)

30 (c) Research related to the economic and workforce impacts of
31 employee access to high quality, affordable child care; and

32 (d) The industry assessment conducted pursuant to section 2 of
33 this act.

34 (3) The governor shall appoint (~~additional~~) voting task force
35 members as follows:

36 (a) Five representatives of private business, including: One
37 representative of a small business; one representative of a medium-
38 sized business; one representative of a large business; and two
39 chamber of commerce representatives, one located east of the crest of

1 the Cascade mountains and one located west of the crest of the
2 Cascade mountains;

3 (b) One representative from a union representing child care
4 providers;

5 (c) One representative from the statewide child care resource and
6 referral network;

7 (d) One representative of an organization representing the
8 interests of licensed child day care centers;

9 (e) One representative of a statewide nonprofit organization
10 comprised of senior executives of major private sector employers;

11 (f) One representative of a nongovernmental private-public
12 partnership supporting home visiting service delivery;

13 (g) One representative of a federally recognized tribe; and

14 (h) One representative from an association representing business
15 interests.

16 (4) One representative from each of the following agencies shall
17 serve as a nonvoting member of the task force and provide data and
18 information to the task force upon request:

19 (a) The department of commerce;

20 (b) The department of children, youth, and families. The
21 representative from the department of children, youth, and families
22 must have expertise in child care subsidy policy;

23 (c) The employment security department;

24 (d) The department of revenue;

25 (e) The department of social and health services; and

26 (f) The office of the governor.

27 (5) The president of the senate shall appoint one member to the
28 task force from each of the two largest caucuses of the senate to
29 serve as nonvoting members of the task force.

30 (6) The speaker of the house of representatives shall appoint one
31 member to the task force from each of the two largest caucuses in the
32 house of representatives to serve as nonvoting members of the task
33 force.

34 (7) The governor shall appoint the following nonvoting members:

35 (a) Three representatives from the child care industry. At least
36 one of the child care industry representatives must be a provider
37 from a rural community. The three representatives must include: One
38 licensed child day care center provider; one licensed family day care
39 provider; and one representative of family, friend, and neighbor
40 child care providers;

1 (b) Two representatives of economic development organizations,
2 one located east of the crest of the Cascade mountains and one
3 located west of the crest of the Cascade mountains;

4 (c) (~~Four representatives of~~) One representative from each of
5 the following: An advocacy organization((s)) representing parents, an
6 early learning advocacy organization, a foster care youth advocacy
7 organization, and an organization representing expanded learning
8 opportunity interests;

9 (d) One representative from an association representing statewide
10 transit interests;

11 (e) One representative of an institution of higher education;
12 (~~and~~)

13 (f) One representative of a nonprofit organization providing
14 training and professional development for family day care providers
15 and family, friend, and neighbor child care providers;

16 (g) One private school provider representing the Washington
17 federation of independent schools;

18 (h) One representative of a statewide grassroots advocacy
19 organization representing the interests of parents;

20 (i) One representative from the child care workforce development
21 technical work group established in chapter 1, Laws of 2017 3rd sp.
22 sess.;

23 (j) An early learning policy expert;

24 (k) One representative of a nonprofit public policy center
25 focused on economic opportunity; and

26 (l) One representative of an organization of early learning
27 providers focused on preserving languages and culture by serving
28 immigrant and refugee communities.

29 (8) The director of commerce or the secretary of the department
30 of children, youth, and families or (~~his or her~~) their designee,
31 may invite additional representatives to participate as nonvoting
32 members of the task force.

33 (9) The task force chair and vice chair must be elected by a
34 majority vote of voting task force members.

35 (10) Staff support for the task force must be provided by the
36 department of commerce.

37 (11) Legislative members of the task force shall be reimbursed
38 for travel expenses in accordance with RCW 44.04.120. Nonlegislative
39 members shall be reimbursed for travel expenses in accordance with
40 chapter 43.03 RCW.

1 (12) Licensed family home child care providers and child care
2 center providers serving as members of the task force must be
3 reimbursed for the cost of hiring a substitute for times the provider
4 is away from the child care businesses for official task force travel
5 and meetings.

6 (13) In accordance with RCW 43.01.036 the task force shall report
7 its initial findings and recommendations pursuant to this section to
8 the governor and the appropriate committees of the legislature by
9 November 1, 2019. The report must include findings related to:

10 (a) Options for the state to incentivize the provision of:

11 (i) Employer-supported child care by public and private
12 employers; and

13 (ii) Back-up child care by public and private employers;

14 (b) Opportunities for streamlining permitting and licensing
15 requirements to facilitate the development and construction of child
16 care facilities;

17 (c) Potential tax incentives for private businesses providing
18 employer-supported child care;

19 (d) A model policy for the establishment of a "bring your infant
20 to work" program for public and private sector employees; and

21 (e) Policy recommendations that address racial, ethnic, and
22 geographic disparity and disproportionality in service delivery and
23 accessibility to services for families.

24 (~~(13)~~) (14) For the purposes of this section:

25 (a) "Back-up child care" means a temporary child care arrangement
26 that is provided when normal child care arrangements are unavailable.

27 (b) "Employer-supported child care" includes:

28 (i) A licensed child care center operated at or near the
29 workplace by an employer for the benefit of employees; or

30 (ii) Financial assistance provided by an employer for licensed
31 child care expenses incurred by an employee.

32 (~~(14)~~) (15) This section expires (~~December 30, 2019~~) July 1,
33 2021.

34 NEW SECTION. **Sec. 4.** (1) Members of the child care
35 collaborative task force created by chapter 91, Laws of 2018, and
36 serving on the task force as of January 1, 2019, may continue to
37 serve as members of the task force without reappointment.

38 (2) This section expires July 1, 2021.

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.330

2 RCW to read as follows:

3 (1) The child care collaborative task force shall:

4 (a)(i) Develop a child care cost estimate model to determine the
5 full costs providers would incur when providing high quality child
6 care, including recommended teacher-child ratios based on research
7 and best practices. The model must include:

8 (A) Regional differences;

9 (B) Employee salaries and benefits;

10 (C) Enrollment levels;

11 (D) Facility costs; and

12 (E) Costs associated with compliance with statutory and
13 regulatory requirements, including quality rating system
14 participation and identify specific costs associated with each level
15 of the rating system and any quality indicators utilized.

16 (ii) The model must utilize existing data and research available
17 from legislatively directed studies and reports.

18 (iii) The model must consider differentiating subsidy rates by
19 child age and region, evaluate the effectiveness of current child
20 care subsidy region boundaries, and examine alternatives such as zip
21 code level regions or regionalization based on urban, suburban, and
22 rural designations;

23 (b) Consider how the measure of state median income could be used
24 in place of federal poverty level when determining eligibility for
25 child care subsidy;

26 (c) Evaluate recommendations from the department of children,
27 youth, and families' technical work group on compensation, including
28 consideration of pay scale changes, to achieve pay parity with K-12
29 teachers by January 1, 2025. When considering implementation of the
30 technical work group recommendations, the task force shall further
31 develop policy recommendations for the department of children, youth,
32 and families that:

33 (i) Endeavor to preserve and increase racial and ethnic equity
34 and diversity in the child care workforce and recognize the value of
35 cultural competency and multilingualism;

36 (ii) Include a salary floor that supports recruitment and
37 retention of a qualified workforce in every early learning setting,
38 determined by an analysis of fields that compete to recruit workers
39 with comparable skills, competencies, and experience of early
40 childhood educators;

1 (iii) Index salaries for providers against the salary for a
2 typical preschool lead teacher, differentiating base compensation for
3 varying levels of responsibility within the early childhood workplace
4 including consideration of center directors, assistant directors,
5 lead teachers, assistant teachers, paraprofessionals, family child
6 care owners, and family home assistants;

7 (iv) Incentivize advancements in relevant higher education
8 credentials and credential equivalencies, training, and years of
9 experience, by increasing compensation for each of these, including
10 early learning certificates, associate degrees, bachelor's degrees,
11 master's degrees, and doctoral degrees;

12 (v) Consider credential equivalencies, including certified
13 demonstration of competencies developed through apprenticeships, peer
14 learning models, community-based training, and other strategies;

15 (vi) Consider a provider's years of experience in the field and
16 years of experience at his or her current site;

17 (vii) Differentiate subsidy rates by region; and

18 (viii) Provide additional targeted investments for providers
19 serving a high proportion of working connections child care families,
20 providers demonstrating additional linguistic or cultural competency,
21 and providers serving populations furthest from opportunity,
22 including:

23 (A) Families enrolled in the early childhood education and
24 assistance program;

25 (B) Underserved geographic communities;

26 (C) Underserved ethnic or linguistic communities;

27 (D) Underserved age groups such as infants and toddlers; and

28 (E) Populations with specialized health or educational needs; and

29 (d) Develop a phased implementation plan for policy changes to
30 the working connections child care program. The implementation plan
31 must focus on children and families furthest from opportunity as
32 defined by income and must include recommended targeted supports for
33 providers serving children who are underserved and emphasize greater
34 racial equity. Implementation plan components must include:

35 (i) Increasing program income eligibility to three hundred
36 percent of the federal poverty level or eighty-five percent of the
37 state median income;

38 (ii) Establishing a graduated system of copayments that
39 eliminates the cliff effect for families and limits the amount a

1 family pays for child care to a maximum of seven percent of the
2 family's income by January 1, 2025;

3 (iii) Developing a model to enable the state to provide
4 contracted slots to programs serving working connections child care
5 families in order to expand access for low-income families;

6 (iv) Eliminating work requirements for student families
7 participating in the working connections child care program;

8 (v) Eliminating the fiscal cap on working connections child care
9 enrollment; and

10 (vi) Prioritizing, in the event of a working connections child
11 care program waitlist: Families experiencing homelessness; families
12 who qualify for early head start, head start, or the early childhood
13 education and assistance program; and families with incomes at or
14 below two hundred percent of the federal poverty level.

15 (2) By July 1, 2020, the task force must submit its findings and
16 required implementation plan pursuant to this section to the governor
17 and the appropriate committees of the legislature.

18 (3) This section expires July 1, 2021.

19 NEW SECTION. **Sec. 6.** (1) By January 1, 2025, the department of
20 children, youth, and families must use the child care cost model
21 developed under section 5 of this act to determine child care subsidy
22 rates.

23 (2) This section expires January 30, 2025.

24 NEW SECTION. **Sec. 7.** Section 3 of this act is added to chapter
25 43.330 RCW.

26 NEW SECTION. **Sec. 8.** This act may be known and cited as the
27 Washington child care access now act.

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