

SENATE BILL REPORT

ESHB 1370

As Reported by Senate Committee On:
Ways & Means, March 25, 2021

Title: An act relating to early learning facilities.

Brief Description: Concerning grants for early learning facilities.

Sponsors: House Committee on Capital Budget (originally sponsored by Representatives Callan, Shewmake, Davis, Ramos, Leavitt, Duerr, Senn, Wicks, Chopp, Bateman, Kloba, Macri, Ramel, Harris-Talley, Pollet, Rule and Goodman).

Brief History: Passed House: 3/8/21, 90-7.

Committee Activity: Ways & Means: 3/22/21, 3/25/21 [DP].

Brief Summary of Bill

- Increases the grant and loan award limits within the Early Learning Facilities (ELF) Program.
- Adds program administration and technical assistance as allowable activities eligible for funding through the ELF Program.
- Renames the ELF accounts the Ruth LeCocq Kagi ELF accounts.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Schoesler, Assistant Ranking Member, Capital; Braun, Carlyle, Conway, Darneille, Dhingra, Gildon, Hasegawa, Hunt, Keiser, Lias, Mullet, Muzzall, Pedersen, Rivers, Van De Wege, Wagoner, Warnick and Wellman.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: Sarah Emmans (786-7478)

Background: The Department of Commerce (Commerce) administers the Early Learning Facilities (ELF) Program, which provides grants and loans to eligible organizations to plan, renovate, purchase, and construct early learning facilities. Eligible organizations include providers of Working Child Care Connections (WCCC), Early Childhood Education and Assistance Program (ECEAP) contractors, developers of housing and community facilities, community and technical colleges, educational service districts, local governments, federally recognized tribes, and religiously affiliated entities. School districts may also receive grants or loans to purchase, construct, or renovate early learning classrooms to provide space for the provision of WCCC and ECEAP.

In the 2021-2023 biennium, grants and loans are limited to the following amounts:

- \$10,698 for facility predesign, feasibility planning, and project development;
- \$106,978 for minor renovation or repairs of existing early learning facilities; and
- \$855,823 to create, purchase, or expand early learning facilities.

Recipients of early learning facilities grants or loans must own or secure a long-term lease for the project site and commit to using the funded facility for preschool or childcare for ten years if the award is less than \$200,000, and for 20 years if the award is greater than \$200,000. Recipients must also commit to being an active participant in good standing with the Early Achievers quality rating and improvement system. If a recipient ceases to be in good standing with Early Achievers, the grant must be repaid.

The ELF Program is funded from the Early Learning Facilities Revolving Account and the Early Learning Facilities Development Account. Commerce may retain up to 4 percent of appropriated funding for administrative costs. In the 2019-2021 biennium, the Department of Children, Youth, and Families provides technical assistance to Commerce, related to the ELF Program.

Summary of Bill: ELF grants and loans limits are increased as follows:

- \$20,000 for predesign grant or loans;
- \$200,000 for minor renovations or repairs; and
- \$1 million for major construction and renovation, or for facility purchase.

Administrative costs including application processes, managing contracts, and providing technical assistance are activities eligible for funding through the ELF grant and loan program.

The requirement that a funded project receiving an award greater than \$200,000 commit to using the funded facility for 20 years is removed.

The names of the two early learning facilities accounts are changed to the Ruth LeCocq Kagi Early Learning Facilities Revolving Account and the Ruth LeCocq Kagi Early

Learning Facilities Development Account.

Appropriation: None.

Fiscal Note: Requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill will expand the number of Washington children who are heading to school kindergarten-ready. The Early Learning Facilities (ELF) program prioritizes children who are farthest from opportunity, in particular by prioritizing projects that expand capacity for Working Connections Child Care and the Early Childhood Education and Assistance Program. Early learning facilities and child care facilities are limited in their ability to self fund. By expanding the ELF grant and loan limits, more facilities will be able to access financial support and technical assistance. Despite the state's investments in ELF, the need for financial support for facilities remains great. The changes in this bill will allow awards to keep up with cost of inflation.

Persons Testifying: PRO: Katy Warren, Washington State Association of Head Start and ECEAP; Juanita Salinas, Enterprise Community Partners.

Persons Signed In To Testify But Not Testifying: No one.