
ENGROSSED SECOND SUBSTITUTE SENATE BILL 5237

State of Washington

67th Legislature

2021 Regular Session

By Senate Ways & Means (originally sponsored by Senators Wilson, C., Dhingra, Das, Billig, Conway, Darneille, Hasegawa, Hunt, Keiser, Kuderer, Lias, Lovelett, Nguyen, Nobles, Pedersen, Saldaña, and Salomon)

READ FIRST TIME 02/22/21.

1 AN ACT Relating to expanding accessible, affordable child care
2 and early childhood development programs; amending RCW 43.88.055,
3 43.216.075, 43.216.136, 43.216.505, 43.216.512, 43.216.556,
4 43.216.749, 43.216.090, 43.216.578, 43.216.710, and 43.216.514;
5 reenacting and amending RCW 43.216.010, 28B.50.248, 43.84.092,
6 43.84.092, and 43.84.092; adding new sections to chapter 43.216 RCW;
7 adding a new section to chapter 43.330 RCW; creating new sections;
8 repealing RCW 43.216.1365; providing effective dates; providing
9 expiration dates; and declaring an emergency.

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

11 NEW SECTION. **Sec. 1.** SHORT TITLE. This act may be known and
12 cited as the fair start for kids act.

13 NEW SECTION. **Sec. 2.** INTENT. (1) The legislature finds that
14 high quality child care and early learning is critical to a child's
15 success in school and life. The legislature recognizes that COVID-19
16 has devastated the existing child care industry, making it unduly
17 burdensome for families to find care. The legislature recognizes that
18 without immediate action to support child care providers, and without
19 expanded access to affordable child care, especially infant and
20 school-age care, parents will not be able to return to work while

1 children lose valuable learning opportunities. In order to bolster a
2 full economic recovery, the legislature finds that every child
3 deserves a fair start.

4 (2) The legislature finds that access to affordable child care
5 increases economic growth and labor force participation. The
6 legislature further finds that an affordable, accessible system of
7 high quality child care is necessary to the health of Washington's
8 economy because employers benefit when parents have safe, stable, and
9 appropriate care for their children. The legislature recognizes that
10 too many working parents are forced to reduce their hours, decline
11 promotional opportunities, or leave the workforce completely due to a
12 lack of affordable and appropriate child care. The legislature finds
13 that a report commissioned by the department of commerce in 2019
14 found that working parents in Washington forego \$14,000,000,000 each
15 year directly due to child care scarcity. The legislature recognizes
16 that this disproportionately impacts women in the workforce and that
17 in September 2020 alone, 78,000 men left the workforce, compared to
18 600,000 women.

19 (3) The legislature finds that the scarcity of child care,
20 exacerbated by COVID-19, most significantly impacts families furthest
21 from opportunity. The legislature recognizes that there are
22 additional barriers to accessing this foundational support for
23 immigrant communities and families whose first language is not
24 English, families who have children with disabilities, rural
25 communities, or other child care deserts. The legislature recognizes
26 that high quality, inclusive child care and early learning programs
27 have been shown to reduce the opportunity gap for low-income children
28 and black, indigenous, and children of color while consistently
29 improving outcomes for all children both inside and outside of the
30 classroom.

31 (4) The legislature finds that without access to comprehensive,
32 high quality prenatal to five services, children often enter
33 kindergarten without the social-emotional, physical, cognitive, and
34 language skills they need to be successful and fall behind their
35 peers, facing compounding developmental challenges throughout their
36 K-12 education. The legislature finds that cascading impacts of
37 inaccessible child care and early learning programs create systemic
38 barriers for children and their families that result in higher
39 special education needs, greater likelihood of needing to repeat
40 grades, increased child welfare and juvenile justice involvement,

1 reduced high school graduation rates, limited postsecondary education
2 attainment, and greater barriers to employment in adulthood.

3 (5) The legislature finds the vast majority of child care
4 providers are small businesses and nonprofit organizations. In
5 addition to adhering to federal, state, and local regulations to
6 ensure healthy and safe environments for children, the legislature
7 recognizes that child care providers must ensure their employees are
8 adequately compensated and supported. However, the legislature
9 acknowledges that the reduced staffing ratios for health and safety,
10 additional cost of personal protective equipment and extra cleaning
11 supplies, increased use of substitutes needed during COVID-19-related
12 absences, and increased technology demands during school closures
13 from the pandemic are further straining the viability of the child
14 care business model in Washington state.

15 (6) The legislature finds that the health and stability of the
16 early learning workforce is pivotal to any expansion of child care in
17 Washington state. The legislature recognizes that the child care
18 workforce, predominantly comprised of women of color, is structurally
19 afflicted by low wages, limited or no health care, and a severe lack
20 of retirement benefits. The legislature further recognizes that the
21 threat of COVID-19 compounds these underlying issues, forcing
22 providers to navigate increased stress, anxiety, and behavioral
23 issues all while risking their lives to care for children. The
24 legislature recognizes that families, friends, and neighbors who
25 provide care are a critical component of the child care system. The
26 legislature finds that child care workers are essential and deserve
27 to be compensated and benefited accordingly.

28 (7) Therefore, the legislature resolves to respond to the
29 COVID-19 crisis by first stabilizing the child care industry and then
30 expanding access to a comprehensive continuum of high quality early
31 childhood development programs, including infant and school-age child
32 care, preschool, parent and family supports, and prenatal to three
33 services. The legislature recognizes this continuum as critical to
34 meeting different families' needs and offering every child in
35 Washington access to a fair start.

36 (8) The legislature recognizes the strengths that multilingual,
37 diverse early learning providers and caregivers contribute to early
38 learning across the state. Therefore, the legislature intends to
39 expand language access services to create an inclusive early learning
40 system that specifically supports underserved providers.

1 (9) The legislature intends to expand eligibility for existing
2 child care and preschool programs to increase access. The legislature
3 recognizes that expansion must be accompanied by an investment to
4 make child care more affordable. Therefore, the legislature intends
5 to eliminate copayments for low-income families and limit copayments
6 for any family on subsidy to no more than seven percent of their
7 income.

8 (10) The legislature further intends to stabilize, support, and
9 grow the diverse early learning workforce by funding living wages and
10 affordable health benefits while providing training, infant and early
11 childhood mental health consultation, shared business services, and a
12 variety of other supports that recognize the critical role that early
13 learning providers serve for all Washington children.

14 (11) The legislature intends to accelerate Washington's economic
15 recovery from the devastating impacts of COVID-19 by dramatically
16 expanding access to affordable, high quality child care and
17 preschool, in order to get parents back to work and provide every
18 child with a fair start.

19 **PART I**

20 **INVESTING IN CHILD CARE AND EARLY LEARNING**

21 NEW SECTION. **Sec. 101.** FAIR START FOR KIDS ACCOUNT. (1) The
22 fair start for kids account is created in the state treasury. Moneys
23 in the account may be spent only after appropriation.

24 (2) Expenditures from the account may be used only for child care
25 and early learning purposes.

26 NEW SECTION. **Sec. 102.** FAIR START FOR KIDS SPENDING GOALS AND
27 STRATEGIES. The spending goals and strategies for the fair start for
28 kids account created under section 101 of this act include, but are
29 not limited to:

30 (1) Increasing child care subsidy rates, with the goal of moving
31 toward the full cost of providing high quality child care;

32 (2) Expanding health care coverage through state sponsorship of
33 child care workers on the Washington health benefit exchange and
34 providing consumer assistance through navigators, as well as any
35 other expansions of access to affordable health care for staff in
36 child care centers, family home providers, outdoor nature-based care,
37 and early childhood education and assistance program staff;

- 1 (3) Increasing child care and early learning providers'
2 compensation;
- 3 (4) Implementing the provisions of collective bargaining
4 agreements for family child care providers negotiated pursuant to RCW
5 41.56.028;
- 6 (5) Supporting and expanding access to the early childhood
7 education and assistance program to reach state-funded entitlement
8 required in RCW 43.216.556;
- 9 (6) Making child care affordable for families;
- 10 (7) Providing resources and supports for family, friend, and
11 neighbor caregivers that better reflect the full cost of care;
- 12 (8) Providing professional development opportunities for child
13 care and early learning providers;
- 14 (9) Delivering infant and early childhood mental health
15 consultation services;
- 16 (10) Establishing prekindergarten through third grade systems
17 coordinators at educational service districts;
- 18 (11) Supporting youth development programs serving children and
19 youth ages birth through 12 including, but not limited to, expanded
20 learning opportunities, mentoring, school-age child care, and
21 wraparound supports or integrated student supports;
- 22 (12) Awarding grants and loans through the early learning
23 facilities grant and loan program established under chapter 43.31
24 RCW;
- 25 (13) Paying enhanced rates for special rate designations in the
26 working connections child care programs, early childhood education
27 and assistance programs, and birth to three early childhood education
28 and assistance programs including designations established in
29 sections 302, 304, 305, and 404 of this act;
- 30 (14) Supporting costs for transparent data collection and
31 information technology systems operated by the department and
32 department contractors, in particular, to ensure equitable systemic
33 service provision and outcomes;
- 34 (15) Providing access to learning technology;
- 35 (16) Providing child care resource and referral services;
- 36 (17) Conducting quality rating and improvement system activities
37 through the early achievers program;
- 38 (18) Expanding prenatal to three services and supports, including
39 the birth to three early childhood education and assistance program

1 and the in-home parent skill-based programs established in RCW
2 43.216.130;

3 (19) Building and delivering a family resource and referral
4 linkage system;

5 (20) Administering comprehensive shared services hubs to allow
6 the ongoing pooling and shared use of services by licensed or
7 certified child care centers and family home providers;

8 (21) Training department staff to ensure consistent and equitable
9 application of child care licensing and quality standards across the
10 state including antibias and antiracist training;

11 (22) Providing incentives for child care providers to become
12 licensed; and

13 (23) Recognizing the benefits of the diverse workforce and
14 facilitating communication in the three most commonly spoken
15 languages by developing a language access plan that centers on equity
16 and access for immigrants, multilingual providers, caregivers, and
17 families.

18 **Sec. 103.** RCW 43.88.055 and 2020 c 218 s 2 are each amended to
19 read as follows:

20 (1) The legislature must adopt a four-year balanced budget as
21 follows:

22 (a) Beginning in the 2013-2015 fiscal biennium, the legislature
23 shall enact a balanced omnibus operating appropriations bill that
24 leaves, in total, a positive ending fund balance in the general fund
25 and related funds.

26 (b) Beginning in the 2013-2015 fiscal biennium, the projected
27 maintenance level of the omnibus appropriations bill enacted by the
28 legislature shall not exceed the available fiscal resources for the
29 next ensuing fiscal biennium.

30 (2) For purposes of this section:

31 (a) "Available fiscal resources" means the beginning general fund
32 and related fund balances and any fiscal resources estimated for the
33 general fund and related funds, adjusted for enacted legislation, and
34 with forecasted revenues adjusted to the greater of (i) the official
35 general fund and related funds revenue forecast for the ensuing
36 biennium, or (ii) the official general fund and related funds
37 forecast for the second fiscal year of the current fiscal biennium,
38 increased by 4.5 percent for each fiscal year of the ensuing
39 biennium;

1 (b) "Projected maintenance level" means estimated appropriations
2 necessary to maintain the continuing costs of program and service
3 levels either funded in that appropriations bill or mandated by other
4 state or federal law, and the amount of any general fund moneys
5 projected to be transferred to the budget stabilization account
6 pursuant to Article VII, section 12 of the state Constitution;

7 (c) "Related funds," as used in this section, means the
8 Washington opportunity pathways account, the workforce education
9 investment account, the fair start for kids account, and the
10 education legacy trust account.

11 (3) Subsection (1)(a) and (b) of this section does not apply to
12 an appropriations bill that makes net reductions in general fund and
13 related funds appropriations and is enacted between July 1st and
14 February 15th of any fiscal year.

15 (4) Subsection (1)(b) of this section does not apply in a fiscal
16 biennium in which money is appropriated from the budget stabilization
17 account pursuant to Article VII, section 12(d)(ii) of the state
18 Constitution.

19 **Sec. 104.** RCW 43.216.075 and 2020 c 262 s 4 are each amended to
20 read as follows:

21 INVESTMENT ACCOUNTABILITY AND OVERSIGHT. (1) The early learning
22 advisory council is established to advise the department on statewide
23 early learning issues that contribute to the ongoing efforts of
24 building a comprehensive system of quality early learning programs
25 and services for Washington's young children and families.

26 (2) The council shall work in conjunction with the department to
27 ~~((assist))~~:

28 (a) Assist in policy development and implementation that ~~((assist~~
29 ~~the department in promoting))~~ promotes alignment of private and
30 public sector actions, objectives, and resources, ~~((ensuring))~~ with
31 the overall goal of promoting school readiness for all children;

32 (b) Provide recommendations annually to the governor and the
33 legislature, beginning August 31, 2022, regarding the phased
34 implementation of strategies and priorities identified in section 102
35 of this act, recognizing that system capacity must be developed and
36 revenue expanded in order to achieve the stated goal in subsection
37 (1) of this section;

1 (c) Maintain a focus on racial equity and inclusion in order to
2 dismantle systemic racism at its core and contribute to statewide
3 efforts to break the cycle of intergenerational poverty;

4 (d) Maintain a focus on inclusionary practices for children with
5 disabilities;

6 (e) Partner with nonprofit organizations to collect and analyze
7 data and measure progress; and

8 (f) Assist the department in monitoring and ensuring that the
9 investments funded by the fair start for kids account created in
10 section 101 of this act are designed to support the following
11 objectives:

12 (i) Advance racial equity and strengthen families by recognizing
13 and responding to the growing diversity of our state's population;

14 (ii) Promote access to affordable, high quality child care and
15 early learning opportunities for all families, paying particular
16 attention to the needs of rural and other underserved communities;

17 (iii) Promote kindergarten readiness by enhancing child
18 development, including development of social-emotional skills, and
19 eliminating exclusionary admissions practices and disproportionate
20 removals in child care and early learning programs; and

21 (iv) Contribute to efforts to strengthen and grow our state's
22 economy by supporting working parents as well as stabilizing and
23 supporting the child care and early learning workforce.

24 (3) In collaboration with the council, the department shall
25 consult with its advisory groups and other interested stakeholders
26 and shall submit a biennial report to the governor and legislature
27 describing how the investments funded by the fair start for kids act
28 have impacted the policy objectives stated in subsection (2)(f) of
29 this section. The first report under this section is due September
30 15, 2023. The council shall include diverse, statewide representation
31 from public, nonprofit, and for-profit entities. Its membership shall
32 include critical partners in service delivery and reflect regional,
33 racial, and cultural diversity to adequately represent the ((needs))
34 interests of all children and families in the state.

35 (4) Councilmembers shall serve two-year terms. However, to
36 stagger the terms of the council, the initial appointments for twelve
37 of the members shall be for one year. Once the initial one-year to
38 two-year terms expire, all subsequent terms shall be for two years,
39 with the terms expiring on June 30th of the applicable year. The
40 terms shall be staggered in such a way that, where possible, the

1 terms of members representing a specific group do not expire
2 simultaneously.

3 (5) The council shall consist of members essential to
4 coordinating services statewide prenatal through age five, as
5 follows:

6 (a) In addition to being staffed and supported by the department,
7 the governor shall appoint one representative from each of the
8 following: The department of commerce and the department of health~~((
9 ~~the student achievement council, and the state board for community
10 and technical colleges~~))~~;

11 (b) One representative from the student achievement council, to
12 be appointed by the student achievement council;

13 (c) The military spouse liaison created within the department of
14 veterans affairs under RCW 43.60A.245;

15 (d) One representative from the state board for community and
16 technical colleges, to be appointed by the state board for community
17 and technical colleges;

18 (e) One representative from the office of the superintendent of
19 public instruction, to be appointed by the superintendent of public
20 instruction;

21 ~~((c) The governor shall appoint leaders in early childhood
22 education to represent critical service delivery and support sectors,
23 with at least one individual representing each of the following:~~

24 ~~(i) The head start state collaboration office director or the
25 director's designee;~~

26 ~~(ii) A representative of a head start, early head start, or
27 migrant/seasonal head start program;~~

28 ~~(iii) A representative of a local education agency;~~

29 ~~(iv) A representative of the state agency responsible for
30 programs under section 619 or part C of the federal individuals with
31 disabilities education act;~~

32 ~~(v) A representative of the early childhood education and
33 assistance program;~~

34 ~~(vi) A representative of licensed family day care providers;~~

35 ~~(vii) A representative of child day care centers; and~~

36 ~~(viii) A representative from the home visiting advisory committee
37 established in RCW 43.216.130;~~

38 ~~(d))~~ (f) Two members of the house of representatives, one from
39 each caucus, to be appointed by the speaker of the house of
40 representatives and two members of the senate, one from each caucus,

1 to be appointed by the majority leader in the senate and the minority
2 leader in the senate;

3 ~~((e))~~ (g) Two parents, one of whom serves on the department's
4 parent advisory group, to be appointed by the ~~((governor))~~ parent
5 advisory group;

6 ~~((f))~~ (h) One representative of the private-public partnership
7 created in RCW 43.216.065, to be appointed by the partnership board;

8 ~~((g))~~ (i) One representative from the developmental
9 disabilities community representing children and families involved in
10 part C of the federal individuals with disabilities education act and
11 one representative from the developmental disabilities community
12 representing children and families involved in part B of the federal
13 individuals with disabilities education act;

14 ~~((h))~~ (j) Two representatives from early learning regional
15 coalitions;

16 ~~((i) — Representatives)~~ (k) Up to five representatives of
17 underserved communities who have a special expertise or interest in
18 high quality early learning, one to be appointed by each of the
19 following commissions:

20 (i) The Washington state commission on Asian Pacific American
21 affairs established under chapter 43.117 RCW;

22 (ii) The Washington state commission on African American affairs
23 established under chapter 43.113 RCW; ~~((and))~~

24 (iii) The Washington state commission on Hispanic affairs
25 established under chapter 43.115 RCW;

26 (iv) The Washington state women's commission established under
27 chapter 43.119 RCW; and

28 (v) The Washington state office of equity established under
29 chapter 43.06D RCW;

30 ~~((j))~~ (l) Two representatives designated by sovereign tribal
31 governments, one of whom must be a representative of a tribal early
32 childhood education assistance program or head start program;

33 ~~((k))~~ (m) One representative from the Washington federation of
34 independent schools;

35 ~~((l))~~ (n) One representative from the Washington library
36 association; ~~((and~~

37 ~~((m))~~ (o) One representative from a statewide advocacy coalition
38 of organizations that focuses on early learning;

1 (p) One representative from an association representing statewide
2 business interests, to be appointed by the association and one
3 representative from a regional business coalition;
4 (q) One representative of an advocacy organization for immigrants
5 and refugees;
6 (r) One representative of an organization advocating for expanded
7 learning opportunities and school-age child care programs;
8 (s) One representative from the largest union representing child
9 care providers;
10 (t) A representative of a head start, early head start, or
11 migrant and seasonal head start program, to be appointed by the head
12 start collaboration office;
13 (u) A representative of educational service districts, to be
14 appointed by a statewide association of educational service district
15 board members;
16 (v) A provider responsible for programs under section 619 of the
17 federal individuals with disabilities education act, to be appointed
18 by the superintendent of public instruction;
19 (w) A representative of the state agency responsible for part C
20 of the federal individuals with disabilities education act, to be
21 appointed by the department;
22 (x) A representative of the early childhood education and
23 assistance program, to be appointed by an association representing
24 early childhood education and assistance programs;
25 (y) A representative of licensed family home providers, to be
26 appointed by the largest union representing child care providers;
27 (z) A representative of child care centers, to be appointed by an
28 association representing child care centers;
29 (aa) A representative from the home visiting advisory committee
30 established in RCW 43.216.130, to be appointed by the committee;
31 (bb) An infant or early childhood mental health expert, to be
32 appointed by the Barnard center for infant and early childhood mental
33 health at the University of Washington;
34 (cc) A family, friend, and neighbor caregiver, to be appointed by
35 the largest union representing child care providers;
36 (dd) A representative from prenatal to three services;
37 (ee) A pediatrician, to be appointed by the state chapter of the
38 American academy of pediatrics; and

1 (ff) A representative of the statewide child care resource and
2 referral organization, to be appointed by the statewide child care
3 resource and referral organization.

4 (6) The council shall be cochaired by two members, to be elected
5 by the council for two-year terms and not more than one cochair may
6 represent a state agency.

7 (7) At the direction of the cochairs, the council may convene
8 advisory groups, such as a parent caucus, to evaluate specific issues
9 and report related findings and recommendations to the full council.

10 (8) The council shall appoint two members and stakeholders with
11 expertise in early learning to sit on the technical working group
12 created in section 2, chapter 234, Laws of 2010.

13 ~~((+8))~~ (9) Each member of the board shall be compensated in
14 accordance with RCW 43.03.240 and reimbursed for travel expenses
15 incurred in carrying out the duties of the board in accordance with
16 RCW 43.03.050 and 43.03.060.

17 ~~((+9))~~ (10)(a) The council shall convene an early achievers
18 review subcommittee to provide feedback and guidance on strategies to
19 improve the quality of instruction and environment for early learning
20 and provide input and recommendations on the implementation and
21 refinement of the early achievers program. The subcommittee shall at
22 a minimum provide feedback and guidance to the department and the
23 council on the following:

24 (i) Adequacy of data collection procedures;

25 (ii) Coaching and technical assistance standards;

26 (iii) Progress in reducing barriers to participation for low-
27 income providers and providers from diverse cultural backgrounds,
28 including a review of the early achievers program's rating tools,
29 quality standard areas, and components, and how they are applied;

30 (iv) Strategies in response to data on the effectiveness of early
31 achievers program standards in relation to providers and children
32 from diverse cultural backgrounds;

33 (v) Status of the life circumstance exemption protocols; ~~((and))~~

34 (vi) Analysis of early achievers program data trends; and

35 (vii) Other relevant early learning data including progress in
36 serving students with disabilities ages birth to five and least
37 restrictive environment data.

38 (b) The subcommittee must include consideration of cultural
39 linguistic responsiveness when analyzing the areas for review
40 required by (a) of this subsection.

1 (c) The subcommittee shall include representatives from child
2 care centers, family child care, the early childhood education and
3 assistance program, contractors for early achievers program technical
4 assistance and coaching, tribal governments, the organization
5 responsible for conducting early achievers program ratings, and
6 parents of children participating in early learning programs,
7 including working connections child care and early childhood
8 education and assistance programs. The subcommittee shall include
9 representatives from diverse cultural and linguistic backgrounds.

10 ~~((10))~~ (11) The council shall convene a temporary licensing
11 subcommittee to provide feedback and recommendations on improvement
12 to the statewide licensing process. The subcommittee shall examine
13 strategies to increase the number of licensed child care providers in
14 the state. The subcommittee shall develop model policies for licensed
15 child care providers to implement licensing standards including, but
16 not limited to, completing the child care and early learning
17 licensing guidebook, to be made available to support providers with
18 compliance. The subcommittee shall also develop recommendations
19 regarding incentives and financial supports to help prospective
20 providers navigate the licensing process. The subcommittee shall
21 provide feedback and recommendations pursuant to this subsection (11)
22 by December 1, 2022.

23 (12) The council shall report its findings and recommendations
24 annually to the governor and the appropriate committees of the
25 legislature by August 1st.

26 (13) The department shall provide staff support to the council.

27 NEW SECTION. Sec. 105. INFLATIONARY ADJUSTMENTS. Beginning July
28 1, 2023, and subject to the availability of amounts appropriated for
29 this specific purpose, rates paid under sections 302, 305, and 404 of
30 this act and RCW 43.216.578 must be adjusted every two years
31 according to an inflationary increase. The inflationary increase must
32 be calculated by applying the rate of the increase in the
33 inflationary adjustment index to the rates established in sections
34 302, 305, and 404 of this act and RCW 43.216.578. Any funded
35 inflationary increase must be included in the rate used to determine
36 inflationary increases in subsequent years. For the purposes of this
37 section, "inflationary adjustment index" means the implicit price
38 deflator averaged for each fiscal year, using the official current

1 base rate, compiled by the bureau of economic analysis, United States
2 department of commerce.

3 **PART II**

4 **EXPANDING ACCESS TO CHILD CARE AND EARLY LEARNING PROGRAMS**

5 NEW SECTION. **Sec. 201.** WORKING CONNECTIONS CHILD CARE PROGRAM
6 ELIGIBILITY AND COPAYMENT. (1) It is the intent of the legislature to
7 increase working families' access to affordable, high quality child
8 care and to support the expansion of the workforce to support
9 businesses and the statewide economy.

10 (2) Beginning July 1, 2021, a family is eligible for working
11 connections child care when the household's annual income is at or
12 below 60 percent of the state median income adjusted for family size
13 and:

14 (a) The child receiving care is: (i) Less than 13 years of age;
15 or (ii) less than 19 years of age and has a verified special need
16 according to department rule or is under court supervision; and

17 (b) The household meets all other program eligibility
18 requirements.

19 (3) Beginning July 1, 2027, and subject to the availability of
20 amounts appropriated for this specific purpose, a family is eligible
21 for working connections child care when the household's annual income
22 is above 60 percent of the state median income and is at or below 75
23 percent of the state median income adjusted for family size and:

24 (a) The child receiving care is: (i) Less than 13 years of age;
25 or (ii) less than 19 years of age and has a verified special need
26 according to department rule or is under court supervision; and

27 (b) The household meets all other program eligibility
28 requirements.

29 (4) The department must calculate a monthly copayment according
30 to the following phased-in schedule:

Beginning date:	If the household's income is:	Then the household's copayment is:
Beginning July 1, 2021	At or below 20 percent of the state median income	\$15 or waived to the extent allowable under federal law
Beginning July 1, 2021	Above 20 percent and at or below 36 percent of the state median income	\$65

1	Beginning July 1, 2021	Above 36 percent and at or below 50 percent of the state median income	\$115
2			
3	Beginning July 1, 2021	Above 50 percent and at or below 60 percent of the state median income	\$165
4			
5	Beginning July 1, 2027	Above 60 percent and at or below 75 percent of the state median income	\$215
6			

7 (5) The department must adopt rules to implement this section.

8 **Sec. 202.** RCW 43.216.136 and 2020 c 279 s 2 are each amended to
9 read as follows:

10 WORKING CONNECTIONS CHILD CARE FOR STUDENT PARENTS. (1) The
11 department shall establish and implement policies in the working
12 connections child care program to promote stability and quality of
13 care for children from low-income households. These policies shall
14 focus on supporting school readiness for young learners. Policies for
15 the expenditure of funds constituting the working connections child
16 care program must be consistent with the outcome measures established
17 by the department and the standards established in this section
18 intended to promote stability, quality, and continuity of early care
19 and education programming.

20 (2) As recommended by P.L. 113-186, authorizations for the
21 working connections child care subsidy are effective for twelve
22 months beginning July 1, 2016(~~(, unless an earlier date is provided~~
23 ~~in the omnibus appropriations act)~~).

24 (a) A household's 12-month authorization begins on the date that
25 child care is expected to begin.

26 (b) If a newly eligible household does not begin care within 12
27 months of being determined eligible by the department, the household
28 must reapply in order to qualify for subsidy.

29 (3) (a) The department shall establish and implement policies in
30 the working connections child care program to allow eligibility for
31 families with children who:

32 (i) In the last six months have:

33 (A) Received child protective services as defined and used by
34 chapters 26.44 and 74.13 RCW;

35 (B) Received child welfare services as defined and used by
36 chapter 74.13 RCW; or

37 (C) Received services through a family assessment response as
38 defined and used by chapter 26.44 RCW;

1 (ii) Have been referred for child care as part of the family's
2 case management as defined by RCW 74.13.020; and

3 (iii) Are residing with a biological parent or guardian.

4 (b) (~~Children~~) Families who are eligible for working
5 connections child care pursuant to this subsection do not have to
6 keep receiving services identified in this subsection to maintain
7 twelve-month authorization.

8 (4) (a) Beginning (~~August 1, 2020~~) July 1, 2021, and subject to
9 the availability of amounts appropriated for this specific purpose,
10 the department may not require an applicant or consumer to meet work
11 requirements as a condition of receiving working connections child
12 care benefits when the applicant or consumer is (~~+~~

13 ~~(i) A single parent;~~

14 ~~(ii) A) a full-time student of a community, technical, or tribal~~
15 ~~college (~~+~~) and (~~(iii) Pursuing~~)~~ is enrolled in: (i) A vocational
16 education program that leads to a degree or certificate in a specific
17 occupation (~~, not to result in a bachelor's or advanced degree~~);

18 (ii) An associate degree program; or

19 (iii) A registered apprenticeship program.

20 (b) An applicant or consumer is a full-time student for the
21 purposes of this subsection if he or she meets the college's
22 definition of a full-time student (~~(. The student must maintain~~
23 ~~passing grades and be))~~ and is in good standing ((pursuant to college
24 attendance requirements)).

25 (c) Nothing in this subsection is intended to change how
26 applicants or consumers are prioritized when applicants or consumers
27 are placed on a waitlist for working connections child care benefits.

28 (d) Subject to the availability of amounts appropriated for this
29 specific purpose, the department may extend the provisions of this
30 subsection (4) to full-time students who are enrolled in a bachelor's
31 degree program or applied baccalaureate degree program.

32 (5) (a) The department must extend the homeless grace period, as
33 adopted in department rule as of January 1, 2020, from a four-month
34 grace period to a twelve-month grace period.

35 (b) For the purposes of this section, "homeless" means being
36 without a fixed, regular, and adequate nighttime residence as
37 described in the federal McKinney-Vento homeless assistance act (42
38 U.S.C. Sec. 11434a) as it existed on January 1, 2020.

39 (6) For purposes of this section, "authorization" means a
40 transaction created by the department that allows a child care

1 provider to claim payment for care. The department may adjust an
2 authorization based on a household's eligibility status.

3 NEW SECTION. **Sec. 203.** EARLY CHILDHOOD EDUCATION AND ASSISTANCE
4 PROGRAM INTENT. (1) The legislature finds that eligibility guidelines
5 for the national school lunch program require free meals for children
6 with household incomes at or below 130 percent of the federal poverty
7 level and that this income level is approximately equivalent to 36
8 percent of the state median income for a household of three. The
9 legislature further finds that eligibility guidelines require
10 reduced-price meals for children with household incomes at or below
11 185 percent of the federal poverty level and that this income level
12 is approximately equivalent to 50 percent of the state median income
13 for a household of three.

14 (2) Therefore, the legislature intends to raise the maximum
15 family income for children entitled to enroll in the early childhood
16 education and assistance program to 36 percent of the state median
17 income beginning July 1, 2026. Beginning in the 2030-31 school year,
18 the legislature intends to raise the maximum family income for
19 children entitled to enroll in this program to 50 percent of the
20 state median income. It is the intent of the legislature to
21 standardize income eligibility levels for assistance programs in
22 order to help families and social workers better understand the
23 benefits for which families qualify and to simplify and align state
24 systems wherever feasible.

25 (3) The legislature further intends to support educational
26 service districts to help school districts partner with early
27 childhood education and assistance program contractors and providers
28 to expand access.

29 **Sec. 204.** RCW 43.216.505 and 2019 c 408 s 2 are each amended to
30 read as follows:

31 EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM ENTITLEMENT
32 ELIGIBILITY. Unless the context clearly requires otherwise, the
33 definitions in this section apply throughout RCW 43.216.500 through
34 43.216.559, 43.216.900, and 43.216.901.

35 (1) "Advisory committee" means the advisory committee under RCW
36 43.216.520.

37 (2) "Approved programs" means those state-supported education and
38 special assistance programs which are recognized by the department as

1 meeting the minimum program rules adopted by the department to
2 qualify under RCW 43.216.500 through 43.216.550, 43.216.900, and
3 43.216.901 and are designated as eligible for funding by the
4 department under RCW 43.216.530 and 43.216.540.

5 (3) "Comprehensive" means an assistance program that focuses on
6 the needs of the child and includes education, health, and family
7 support services.

8 (4) "Eligible child" means a three to five-year old child who is
9 not age-eligible for kindergarten, is not a participant in a federal
10 or state program providing comprehensive services, and who:

11 (a) ~~Has a family ((income at or below one hundred ten percent of~~
12 ~~the federal poverty level, as published annually by the federal~~
13 ~~department of health and human services)) with financial need;~~

14 (b) Is experiencing homelessness;

15 (c) Has participated in early head start or a successor federal
16 program providing comprehensive services for children from birth
17 through two years of age, the early support for infants and toddlers
18 program or received class C developmental services, the birth to
19 three early childhood education and assistance program, or the early
20 childhood intervention and prevention services program;

21 (d) Is eligible for special education due to disability under RCW
22 28A.155.020; (~~or~~

23 ~~(e))~~ (e) Is Indian as defined in rule by the department after
24 consultation and agreement with Washington state's federally
25 recognized tribes pursuant to section 207 of this act and is at or
26 below 100 percent of the state median income adjusted for family
27 size; or

28 (f) Meets criteria under rules adopted by the department if the
29 number of such children equals not more than ten percent of the total
30 enrollment in the early childhood program. Preference for enrollment
31 in this group shall be given to children from families with the
32 lowest income, children in foster care, or to eligible children from
33 families with multiple needs.

34 (5) "Family support services" means providing opportunities for
35 parents to:

36 (a) Actively participate in their child's early childhood
37 program;

38 (b) Increase their knowledge of child development and parenting
39 skills;

40 (c) Further their education and training;

1 (d) Increase their ability to use needed services in the
2 community;

3 (e) Increase their self-reliance; and

4 (f) Connect with culturally competent, disability positive
5 therapists and supports where appropriate.

6 (6) "Experiencing homelessness" means a child without a fixed,
7 regular, and adequate nighttime residence as described in the federal
8 McKinney-Vento homeless assistance act (42 U.S.C., Chapter 119,
9 Subchapter VI, Part B) as it existed on January 1, 2021.

10 (7) "Family with financial need" means families with incomes at
11 or below 36 percent of the state median income adjusted for family
12 size until the 2030-31 school year. Beginning in the 2030-31 school
13 year, "family with financial need" means families with incomes at or
14 below 50 percent of the state median income adjusted for family size.

15 **Sec. 205.** RCW 43.216.512 and 2019 c 409 s 2 are each amended to
16 read as follows:

17 EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM EXPANDED
18 ENROLLMENT. (1) The department shall adopt rules that allow the
19 enrollment of children in the early childhood education and
20 assistance program, as space is available, if the number of such
21 children equals not more than (~~twenty-five~~) 25 percent of total
22 statewide enrollment, when the child is not eligible under RCW
23 43.216.505 and whose family income level is (~~÷~~

24 ~~(a) Above one hundred ten percent but less than or equal to one~~
25 ~~hundred thirty percent of the federal poverty level; or~~

26 ~~(b) Above one hundred thirty percent but less than or equal to~~
27 ~~two hundred percent of the federal poverty level if)) above 36~~
28 percent of the state median income but at or below 50 percent of the
29 state median income adjusted for family size and the child meets at
30 least one of the risk factor criterion described in subsection (2) of
31 this section.

32 (2) Children enrolled in the early childhood education and
33 assistance program pursuant to (~~subsection (1)(b) of~~) this section
34 must be prioritized for available funded slots according to a
35 prioritization system adopted in rule by the department that
36 considers risk factors that have a disproportionate effect on
37 kindergarten readiness and school performance, including:

38 (a) Family income as a percent of the (~~federal poverty level~~)
39 state median income;

1 (b) (~~(Homelessness;~~
2 ~~(e))~~) Child welfare system involvement;
3 (~~(d))~~) (c) Developmental delay (~~(or disability that does not~~
4 ~~meet the eligibility criteria for special education described in RCW~~
5 ~~28A.155.020))~~ eligible for services under part C of the federal
6 individuals with disabilities education act but not eligible for
7 services under part B of the federal individuals with disabilities
8 education act;
9 (~~(e))~~) (d) Domestic violence;
10 (~~(f))~~) (e) English as a second language;
11 (~~(g))~~) (f) Expulsion from an early learning setting;
12 (~~(h))~~) (g) A parent who is incarcerated;
13 (~~(i))~~) (h) A parent with a (~~(substance use disorder or mental)~~)
14 behavioral health treatment need; and
15 (~~(j))~~) (i) Other risk factors determined by the department to be
16 linked by research to school performance.
17 (3) (~~The department shall adopt rules that allow a child to~~
18 ~~enroll in the early childhood education and assistance program, as~~
19 ~~space is available, when the child is not eligible under RCW~~
20 ~~43.216.505 and the child turns three years old at any time during the~~
21 ~~school year when the child:~~
22 ~~(a) Has a family income at or below two hundred percent of the~~
23 ~~federal poverty level or meets at least one risk factor criterion~~
24 ~~adopted by the department in rule; and~~
25 ~~(b) Has received services from or participated in:~~
26 ~~(i) The early support for infants and toddlers program;~~
27 ~~(ii) The early head start or a successor federal program~~
28 ~~providing comprehensive services for children from birth through two~~
29 ~~years of age; or~~
30 ~~(iii) The birth to three early childhood education and assistance~~
31 ~~program, if such a program is established.~~
32 ~~(4))~~) Children enrolled in the early childhood education and
33 assistance program under this section are not considered eligible
34 children as defined in RCW 43.216.505 and are not considered to be
35 part of the state-funded entitlement required in RCW 43.216.556.
36 (4) This section expires August 1, 2030.

37 NEW SECTION. Sec. 206. EARLY CHILDHOOD EDUCATION AND ASSISTANCE
38 PROGRAM EARLY ENTRY. (1) The department shall adopt rules that allow
39 a child to enroll in the early childhood education and assistance

1 program, as space is available and subject to the availability of
2 amounts appropriated for this specific purpose, when the child is not
3 eligible under RCW 43.216.505 and the child turns three years old at
4 any time during the school year when the child:

5 (a) Has a family income at or below 100 percent of the state
6 median income or meets at least one risk factor criterion adopted by
7 the department in rule; and

8 (b) Has received services from or participated in:

9 (i) The early head start or a successor federal program providing
10 comprehensive services for children from birth through two years of
11 age;

12 (ii) The early support for infants and toddlers program or
13 received class C developmental services;

14 (iii) The birth to three early childhood education and assistance
15 program; or

16 (iv) The early childhood intervention and prevention services
17 program.

18 (2) Children enrolled in the early childhood education and
19 assistance program under this section are not eligible children as
20 defined in RCW 43.216.505 and are not part of the state-funded
21 entitlement required in RCW 43.216.556.

22 NEW SECTION. **Sec. 207.** INDIAN CHILD DEFINITION. (1) The
23 department must consult, and obtain the advice and consent of, the
24 governing bodies of the state's federally recognized tribes in
25 developing an agreed-upon definition of the term "Indian" for the
26 purposes of RCW 43.216.505 and, by July 1, 2024, must adopt the
27 definition in rule.

28 (2) This section expires December 1, 2030.

29 **Sec. 208.** RCW 43.216.556 and 2019 c 408 s 3 are each amended to
30 read as follows:

31 (1) Funding for the program of early learning established under
32 this chapter must be appropriated to the department. The department
33 shall distribute funding to approved early childhood education and
34 assistance program contractors on the basis of eligible children
35 enrolled.

36 (2) The program shall be implemented in phases, so that full
37 implementation is achieved in the ((2022-23)) 2026-27 school year.

1 (3) Funding shall continue to be phased in each year until full
2 statewide implementation of the early learning program is achieved in
3 the ((2022-23)) 2026-27 school year, at which time any eligible child
4 is entitled to be enrolled in the program.

5 (4) School districts and approved community-based early learning
6 providers may contract with the department to provide services under
7 the program. The department shall collaborate with school districts,
8 community-based providers, and educational service districts to
9 promote an adequate supply of approved providers.

10 **PART III**

11 **SUPPORTING CHILD CARE AND EARLY LEARNING PROVIDERS**

12 **Sec. 301.** RCW 43.216.749 and 2019 c 368 s 7 are each amended to
13 read as follows:

14 CHILD CARE SUBSIDY RATES. (1) ((By January 1, 2025, the
15 department of children, youth, and families must)) It is the intent
16 of the legislature to systemically increase child care subsidy rates
17 over time until rates are equal to the full cost of providing high
18 quality child care.

19 (2) Beginning July 1, 2021, child care subsidy base rates must
20 achieve the 85th percentile of market for licensed or certified child
21 care providers.

22 (3) (a) The department shall build upon the work of the child care
23 collaborative task force to develop and implement a child care cost
24 estimate model and use the completed child care cost model
25 ((developed under RCW 43.330.527 to determine child care subsidy
26 rates.

27 (2) This section expires January 30, 2025)) to recommend subsidy
28 rates at levels that are sufficient to compensate licensed or
29 certified child care providers for the full costs of providing high
30 quality child care. The department shall consider:

31 (i) Adjusting rates to reflect cost of living such as area median
32 income, cost of living by zip code, and grouping by categories such
33 as rural, suburban, or urban; and

34 (ii) Incorporating the rate model for nonstandard child care
35 hours developed under section 306 of this act.

36 (b) The department shall build upon the work of the child care
37 collaborative task force to evaluate options to support access to

1 affordable health care insurance coverage for licensed or certified
2 child care providers.

3 NEW SECTION. **Sec. 302.** EARLY CHILDHOOD EDUCATION AND ASSISTANCE
4 PROGRAM RATES. (1) For the 2021-22 school year, rates for the early
5 childhood education and assistance program must be set at a level at
6 least 10 percent higher than the rates established in section 225,
7 chapter 415, Laws of 2019.

8 (2) It is the intent of the legislature that rate increases shall
9 be informed by the department's 2020 early childhood education and
10 assistance program rate study.

11 (3) This section expires June 30, 2027.

12 NEW SECTION. **Sec. 303.** COMPLEX NEEDS FUNDS. (1) Subject to the
13 availability of amounts appropriated for this specific purpose, the
14 department shall administer in collaboration with the office of the
15 superintendent of public instruction, two complex needs funds to
16 promote inclusive, least restrictive environments and to support
17 contractors and providers serving children who have developmental
18 delays, disabilities, behavioral needs, or other unique needs. One
19 fund must support early childhood education and assistance program
20 contractors and providers and birth to three early childhood
21 education and assistance program contractors and providers, and one
22 fund must support licensed or certified child care providers and
23 license-exempt child care programs.

24 (2) Support may include staffing, programming, therapeutic
25 services, and equipment or technology support. Additional support may
26 include activities to assist families with children expelled or at
27 risk of expulsion from child care, and to help families transition in
28 and out of child care.

29 NEW SECTION. **Sec. 304.** TRAUMA-INFORMED CARE SUPPORTS. (1)
30 Beginning July 1, 2022, the department shall provide supports to aid
31 eligible providers in providing trauma-informed care. Trauma-informed
32 care supports may be used by eligible providers for the following
33 purposes:

34 (a) Wage increases for individual staff who have an infant and
35 early childhood mental health or other child development specialty
36 credential;

37 (b) Trauma-informed professional development and training;

- 1 (c) The purchase of screening tools and assessment materials;
2 (d) Supportive services for children with complex needs that are
3 offered as fee-for-service within local communities; or
4 (e) Other related expenses.

5 (2) The department must adopt rules to implement this section.

6 (3) For the purposes of this section, "eligible provider" means:

- 7 (a) An employee or owner of a licensed or certified child care center
8 or outdoor nature-based care accepting state subsidy; (b) an employee
9 or owner of a licensed family home provider accepting state subsidy;
10 (c) a contractor or provider of the early childhood education and
11 assistance program or birth to three early childhood education and
12 assistance program; (d) a license-exempt child care program; or (e)
13 an early achievers coach.

14 NEW SECTION. **Sec. 305.** DUAL LANGUAGE RATE ENHANCEMENT. (1)
15 Beginning July 1, 2022, the department shall establish a dual
16 language designation and provide a subsidy rate enhancement for
17 licensed or certified child care providers who are accepting state
18 subsidy; early childhood education and assistance program
19 contractors; or birth to three early childhood education and
20 assistance program contractors. It is the intent of the legislature
21 to allow uses of the rate enhancement to include increased wages for
22 individual staff who provide bilingual instruction, professional
23 development training, the purchase of dual language and culturally
24 appropriate curricula and accompanying training programs,
25 instructional materials, or other related expenses.

26 (2) The department must consult with a culturally and
27 linguistically diverse stakeholder advisory group to develop criteria
28 for the dual language designation.

29 (3) The department must adopt rules to implement this section.

30 NEW SECTION. **Sec. 306.** NONSTANDARD HOURS RATE MODEL. (1) In
31 order to expand the supply of critically needed after-hours care to
32 meet the needs of parents and caregivers and a round-the-clock
33 economy and subject to the availability of amounts appropriated for
34 this specific purpose, the department of children, youth, and
35 families, in consultation with diverse stakeholders, must develop a
36 rate model for nonstandard child care hours and submit the model to
37 the governor and the appropriate committees of the legislature by
38 January 1, 2022.

1 (2) This section expires June 30, 2022.

2 NEW SECTION. **Sec. 307.** EARLY CHILDHOOD EQUITY GRANTS. (1)

3 Subject to the availability of amounts appropriated for this specific
4 purpose, the department shall distribute early childhood equity
5 grants to eligible applicants. Eligible applicants include play and
6 learn groups, licensed or certified child care centers and family
7 home providers, license-exempt child care programs, and early
8 childhood education and assistance program contractors. The equity
9 grants are intended to serve as a step toward expanding access to
10 early learning statewide and transforming Washington's early learning
11 system to make it more inclusive and equitable. The department shall
12 administer the early childhood equity grants to support inclusive and
13 culturally and linguistically specific early learning and early
14 childhood and parent support programs across the state.

15 (2) The department must conduct an equitable process to
16 prioritize grant applications for early childhood equity grant
17 assistance. An eligible applicant may receive an early childhood
18 equity grant once every two years. When conducting the equitable
19 grant process, the department must:

20 (a) Solicit project applications from a racially and
21 geographically diverse pool of eligible applicants statewide;

22 (b) Provide application materials in the five most commonly
23 spoken languages in the state and broadly communicate using a variety
24 of strategies to reach diverse communities;

25 (c) Require applicants to demonstrate their proposed uses of
26 early childhood equity grant funds to incorporate either inclusive
27 practices or culturally and linguistically supportive and relevant
28 practices, or both, into early learning program design, delivery,
29 education, training, and evaluation; and

30 (d) Provide technical assistance to any applicant who needs it.

31 NEW SECTION. **Sec. 308.** A new section is added to chapter 43.330

32 RCW to read as follows:

33 EMPLOYER-SUPPORTED CHILD CARE. (1) Subject to the availability of
34 amounts appropriated for this specific purpose, the department, in
35 collaboration with the department of children, youth, and families,
36 shall provide or contract to provide remote or in-person technical
37 assistance to employers interested in supporting their employees'
38 access to high quality child care.

1 (2) Technical assistance may include guidance related to:

2 (a) Operating a licensed child care center at or near the
3 workplace for the benefit of employees;

4 (b) Financing and construction of a licensed child care center at
5 or near the workplace for the benefit of employees;

6 (c) Providing financial assistance to employees for licensed or
7 certified child care providers and license-exempt child care program
8 expenses;

9 (d) Encouraging access and support for low-wage employees;

10 (e) Sponsoring dependent care flexible spending accounts for
11 employees; and

12 (f) Developing a "bring your infant to work" program and other
13 family-friendly work policies for employees.

14 NEW SECTION. **Sec. 309.** INFANT AND EARLY CHILDHOOD MENTAL HEALTH
15 CONSULTATION. (1) Subject to the availability of amounts appropriated
16 for this specific purpose, the department shall administer or
17 contract for infant and early childhood mental health consultation
18 services to child care providers and early learning providers
19 participating in the early achievers program.

20 (2) Infant and early childhood mental health consultation
21 services must be delivered in coordination with the consultants
22 provided under RCW 43.216.090.

23 (3) The department shall provide, or contract with an entity to
24 provide, reflective supervision and professional development for
25 infant and early childhood mental health consultants to meet national
26 competency standards.

27 (4) As capacity allows, the department may provide access to
28 infant and early childhood mental health consultation services to
29 caregivers and licensed or certified, military, and tribal early
30 learning providers, license-exempt family, friend, and neighbor care
31 providers, and families with children expelled or at risk of
32 expulsion from child care.

33 **Sec. 310.** RCW 43.216.090 and 2019 c 360 s 7 are each amended to
34 read as follows:

35 INFANT AND EARLY CHILDHOOD MENTAL HEALTH CONSULTATION. ((The))
36 Beginning July 1, 2021, and subject to the availability of amounts
37 appropriated for this specific purpose, the department of children,
38 youth, and families must have or contract for one infant and early

1 childhood mental health consultation coordinator and must enter into
2 a contractual agreement with an organization providing coaching
3 services to early achievers program participants to hire ((one)) at
4 least 12 qualified infant and early childhood mental health
5 consultants, with at least one for each of the six department-
6 designated regions. The infant and early childhood mental health
7 consultants must be placed in regions based on the highest need. The
8 infant and early childhood mental health consultants must support
9 early achievers program coaches and child care providers by providing
10 resources, information, and guidance regarding challenging behavior
11 and expulsions and may travel to assist providers in serving families
12 and children with severe behavioral needs. (~~In coordination with the~~
13 ~~contractor, the department of children, youth, and families must~~
14 ~~report on the services provided and the outcomes of the consultant~~
15 ~~activities to the governor and the appropriate policy and fiscal~~
16 ~~committees of the legislature by June 30, 2021.~~)

17 NEW SECTION. Sec. 311. PLAY AND LEARN GROUPS. Subject to the
18 availability of amounts appropriated for this specific purpose, the
19 department, in consultation with community-based programs, shall
20 provide or contract to provide, or both, resources and supports for
21 inclusive and culturally and linguistically relevant play and learn
22 groups. Play and learn groups offer parents and other caregivers
23 culturally responsive opportunities to support their children's early
24 learning, build relationships that reduce isolation and encourage
25 socialization, and promote kindergarten readiness.

26 NEW SECTION. Sec. 312. PROFESSIONAL DEVELOPMENT. (1) Subject to
27 the availability of amounts appropriated for this specific purpose,
28 the department shall provide professional development supports to aid
29 eligible providers in reaching the professional education and
30 training standards adopted by the department. Professional
31 development supports may include:

32 (a) Department-required trainings for child care providers
33 conducted by department-approved trainers;

34 (b) Trainings for license-exempt family, friend, and neighbor
35 child care providers conducted by department-approved trainers;

36 (c) Early achievers scholarships;

37 (d) Community-based training pathways and systems developed under
38 RCW 43.216.755; and

1 (e) Other professional development activities such as updating
2 training content, data collection and reporting, trainer recruitment,
3 retention, program monitoring, and trainings delivered by department-
4 approved trainers on topics such as small business management,
5 antibias and antiracist training, providing care for children with
6 developmental disabilities, social-emotional learning, implementing
7 inclusionary practices in early learning environments, infant and
8 toddler care, dual language program development, and providing
9 trauma-informed care.

10 (2) For the purposes of this section, "eligible provider" means:

11 (a) An employee or owner of a licensed or certified child care center
12 or outdoor nature-based care accepting state subsidy; (b) an employee
13 or owner of a licensed family home provider accepting state subsidy;
14 (c) a contractor or provider of the early childhood education and
15 assistance program or birth to three early childhood education and
16 assistance program; or (d) an early achievers coach.

17 NEW SECTION. **Sec. 313.** NEGOTIATED RULE MAKING WITH CHILD CARE
18 CENTERS. The secretary shall engage in negotiated rule making
19 pursuant to RCW 34.05.310(2)(a) with the largest organization
20 representing child care center owners and directors; the largest
21 organization representing supervisors, teachers, and aides; and other
22 affected interests before adopting requirements that affect child
23 care center licensees.

24 **PART IV**

25 **STRENGTHENING PRENATAL TO THREE SUPPORTS**

26 NEW SECTION. **Sec. 401.** PRENATAL TO THREE INTENT. (1) The
27 legislature finds that parental relationships and healthy
28 interactions in the first few years of life help shape the
29 development of babies' and toddlers' brains and bodies. Eighty
30 percent of the brain is developed by the age of three and parents are
31 a child's first teachers.

32 (2) The legislature finds that the federal family first
33 prevention services act (P.L. 115-123) offers the state the
34 opportunity to leverage federal funding for certain programs,
35 including in-home parent skill-based programs, substance use disorder
36 support, and mental health interventions. Culturally relevant,
37 evidence-based programs that may qualify for these federal funds are

1 limited. Therefore, state support may be necessary to serve
2 traditionally underrepresented communities and increase positive
3 engagement from parents and caregivers of children from before birth
4 to age three.

5 (3) The legislature finds that small teacher-child ratios for
6 infant and toddler care, as well as the existence of child care
7 deserts with low levels of access to care for the birth to three age
8 group, contribute to higher expenses for providers and families with
9 babies and young children.

10 (4) Therefore, the legislature intends to expand parent and
11 family education and support, incentivize the provision of infant and
12 toddler care, and make early therapeutic and preventative services
13 more readily available to families and young children.

14 NEW SECTION. **Sec. 402.** EDUCATION AND SUPPORT FOR PARENTS AND
15 FAMILY, FRIEND, AND NEIGHBOR CAREGIVERS. (1) Subject to the
16 availability of amounts appropriated for this specific purpose, the
17 department shall administer a prenatal to three family engagement
18 strategy to support expectant parents, babies and toddlers from birth
19 to three years of age, and their caregivers.

20 (2) Components of the prenatal to three family engagement
21 strategy must include supports and services to improve maternal and
22 infant health outcomes, reduce and mitigate trauma, promote
23 attachment and other social-emotional assets, strengthen parenting
24 skills, and provide early supports to help maximize healthy and
25 robust childhood development and reduce isolation. Services and
26 supports may include:

27 (a) In-home parent skill-based programs and training established
28 in RCW 43.216.130;

29 (b) Facilitated play and learn groups;

30 (c) Parent peer-support groups, including groups designed for
31 families with children with complex needs; families whose primary
32 home language is not English; incarcerated parents; families coping
33 with substance use disorder or mental health support needs; black,
34 indigenous, and families of color; or other specific needs; and

35 (d) Other prenatal to age three programs and services.

36 (3) Continuity of services for babies and toddlers are important
37 for early childhood brain development. Therefore, the services and
38 supports described in this section may be made available to

1 biological parents, foster parents, kinship care providers, and other
2 family, friend, and neighbor caregivers.

3 **Sec. 403.** RCW 43.216.578 and 2019 c 408 s 8 are each amended to
4 read as follows:

5 BIRTH TO THREE EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM.

6 (1) ~~((Within resources available under the federal preschool
7 development grant birth to five grant award received in December
8 2018,))~~ Subject to the availability of amounts appropriated for this
9 specific purpose, the department shall ~~((develop a plan for phased
10 implementation of))~~ administer a birth to three early childhood
11 education and assistance program ~~((pilot project))~~ for eligible
12 children under thirty-six months old. Funds to implement the ~~((pilot
13 project))~~ program may include a combination of federal, state, or
14 private sources.

15 (2) The department may adopt rules to implement the ~~((pilot
16 project))~~ program and may waive or adapt early childhood education
17 and assistance program requirements when necessary to allow for the
18 operation of the birth to three early childhood education and
19 assistance program. The department shall consider early head start
20 rules and regulations when developing the provider and family
21 eligibility requirements and program requirements. ~~((Any deviations
22 from early head start standards, rules, or regulations must be
23 identified and explained by the department in its annual report under
24 subsection (6) of this section.))~~

25 (3) (a) ~~((Upon securing adequate funds to begin implementation,
26 the pilot project))~~ The birth to three early childhood education and
27 assistance program(s) must be delivered through child care centers
28 and family home providers who meet minimum licensing standards and
29 are enrolled in the early achievers program.

30 (b) The department must determine minimum early achievers ratings
31 scores for ~~((programs))~~ participating ~~((in the pilot project))~~
32 contractors.

33 (4) ~~((When selecting pilot project locations for service
34 delivery, the department may allow each pilot project location to
35 have up to three classrooms per location. When selecting and
36 approving pilot project locations, the department shall attempt to
37 select a combination of rural, urban, and suburban locations. The
38 department shall prioritize locations with programs currently~~

1 ~~operating early head start, head start, or the early childhood~~
2 ~~education and assistance program.~~

3 ~~(5)) To be eligible for the birth to three early childhood~~
4 ~~education and assistance program, a child's family income must be at~~
5 ~~or below ((one hundred thirty)) 50 percent of the ((federal poverty~~
6 ~~level)) state median income and the child must be under thirty-six~~
7 ~~months old.~~

8 ~~((6) Beginning November 1, 2020, and each November 1st~~
9 ~~thereafter during pilot project activity, the department shall submit~~
10 ~~an annual report to the governor and legislature that includes a~~
11 ~~status update that describes the planning work completed, the status~~
12 ~~of funds secured, and any implementation activities of the pilot~~
13 ~~project. Implementation activity reports must include a description~~
14 ~~of the participating programs and number of children and families~~
15 ~~served.))~~

16 NEW SECTION. **Sec. 404.** INFANT CARE INCENTIVES. (1) The
17 legislature finds that our state suffers from an extreme shortage of
18 infant child care, impacting the ability of parents to participate in
19 the workforce. Further, parents returning to work after using paid
20 family leave to care for a new child struggle to find readily
21 available, high quality care during a time of critical growth and
22 brain development for young children. Therefore, the legislature
23 intends to incentivize the provision of high quality infant care.

24 (2) Beginning July 1, 2022, the department shall provide an
25 infant rate enhancement for licensed or certified child care
26 providers and birth to three early childhood education and assistance
27 program contractors who are:

28 (a) Accepting state subsidy;

29 (b) In good standing with the early achievers quality rating and
30 improvement system; and

31 (c) Caring for a child between the ages of birth and 11 months.

32 (3) The department must adopt rules to implement this section.

33 NEW SECTION. **Sec. 405.** EARLY THERAPEUTIC AND PREVENTATIVE
34 SERVICES. (1) Subject to the availability of amounts appropriated for
35 this specific purpose, the department shall administer early
36 therapeutic and preventative services and programs, such as the early
37 childhood intervention and prevention services program, and other
38 related services for children who are:

1 (a) Between the ages of birth and five years; and

2 (b) Referred by a child welfare worker, a department of social
3 and health services social worker, a primary care physician, a
4 behavioral health provider, or a public health nurse due to: (i) Risk
5 of child abuse or neglect; (ii) exposure to complex trauma; or (iii)
6 significant developmental delays.

7 (2) Subject to the availability of amounts appropriated for this
8 specific purpose, the department shall make all reasonable efforts to
9 deliver early therapeutic and preventative services and programs
10 statewide. These services and programs must focus first on children
11 and families furthest from opportunity as defined by income and be
12 delivered by programs that emphasize greater racial equity.

13 **PART V**

14 **CONFORMING AMENDMENTS**

15 **Sec. 501.** RCW 43.216.010 and 2020 c 270 s 11 are each reenacted
16 and amended to read as follows:

17 The definitions in this section apply throughout this chapter
18 unless the context clearly requires otherwise.

19 (1) "Agency" means any person, firm, partnership, association,
20 corporation, or facility that provides child care and early learning
21 services outside a child's own home and includes the following
22 irrespective of whether there is compensation to the agency:

23 (a) "Child day care center" and "child care center" mean(~~s~~) an
24 agency that regularly provides early childhood education and early
25 learning services for a group of children for periods of less than
26 twenty-four hours;

27 (b) "Early learning" includes but is not limited to programs and
28 services for child care; state, federal, private, and nonprofit
29 preschool; child care subsidies; child care resource and referral;
30 parental education and support; and training and professional
31 development for early learning professionals;

32 (c) "Family day care provider" and "family home provider"
33 mean(~~s~~) a child care provider who regularly provides early
34 childhood education and early learning services for not more than
35 twelve children at any given time in the provider's home in the
36 family living quarters;

37 (d) "Nongovernmental private-public partnership" means an entity
38 registered as a nonprofit corporation in Washington state with a

1 primary focus on early learning, school readiness, and parental
2 support, and an ability to raise a minimum of five million dollars in
3 contributions;

4 (e) "Service provider" means the entity that operates a community
5 facility.

6 (2) "Agency" does not include the following:

7 (a) Persons related to the child in the following ways:

8 (i) Any blood relative, including those of half-blood, and
9 including first cousins, nephews or nieces, and persons of preceding
10 generations as denoted by prefixes of grand, great, or great-great;

11 (ii) Stepfather, stepmother, stepbrother, and stepsister;

12 (iii) A person who legally adopts a child or the child's parent
13 as well as the natural and other legally adopted children of such
14 persons, and other relatives of the adoptive parents in accordance
15 with state law; or

16 (iv) Spouses of any persons named in (a)(i), (ii), or (iii) of
17 this subsection, even after the marriage is terminated;

18 (b) Persons who are legal guardians of the child;

19 (c) Persons who care for a neighbor's or friend's child or
20 children, with or without compensation, where the person providing
21 care for periods of less than twenty-four hours does not conduct such
22 activity on an ongoing, regularly scheduled basis for the purpose of
23 engaging in business, which includes, but is not limited to,
24 advertising such care;

25 (d) Parents on a mutually cooperative basis exchange care of one
26 another's children;

27 (e) Nursery schools that are engaged primarily in early childhood
28 education with preschool children and in which no child is enrolled
29 on a regular basis for more than four hours per day;

30 (f) Schools, including boarding schools, that are engaged
31 primarily in education, operate on a definite school year schedule,
32 follow a stated academic curriculum, and accept only school age
33 children;

34 (g) Seasonal camps of three months' or less duration engaged
35 primarily in recreational or educational activities;

36 (h) Facilities providing child care for periods of less than
37 twenty-four hours when a parent or legal guardian of the child
38 remains on the premises of the facility for the purpose of
39 participating in:

40 (i) Activities other than employment; or

1 (ii) Employment of up to two hours per day when the facility is
2 operated by a nonprofit entity that also operates a licensed child
3 care program at the same facility in another location or at another
4 facility;

5 (i) Any entity that provides recreational or educational
6 programming for school age children only and the entity meets all of
7 the following requirements:

8 (i) The entity utilizes a drop-in model for programming, where
9 children are able to attend during any or all program hours without a
10 formal reservation;

11 (ii) The entity does not assume responsibility in lieu of the
12 parent, unless for coordinated transportation;

13 (iii) The entity is a local affiliate of a national nonprofit;
14 and

15 (iv) The entity is in compliance with all safety and quality
16 standards set by the associated national agency;

17 (j) A program operated by any unit of local, state, or federal
18 government;

19 (k) A program located within the boundaries of a federally
20 recognized Indian reservation, licensed by the Indian tribe;

21 (l) A program located on a federal military reservation, except
22 where the military authorities request that such agency be subject to
23 the licensing requirements of this chapter;

24 (m) A program that offers early learning and support services,
25 such as parent education, and does not provide child care services on
26 a regular basis.

27 (3) "Applicant" means a person who requests or seeks employment
28 in an agency.

29 (4) "Certificate of parental improvement" means a certificate
30 issued under RCW 74.13.720 to an individual who has a founded finding
31 of physical abuse or negligent treatment or maltreatment, or a court
32 finding that the individual's child was dependent as a result of a
33 finding that the individual abused or neglected their child pursuant
34 to RCW 13.34.030(6)(b).

35 (5) "Conviction information" means criminal history record
36 information relating to an incident which has led to a conviction or
37 other disposition adverse to the applicant.

38 (6) "Department" means the department of children, youth, and
39 families.

1 (7) "Early achievers" means a program that improves the quality
2 of early learning programs and supports and rewards providers for
3 their participation.

4 (8) "Early childhood education and assistance program contractor"
5 means an organization that provides early childhood education and
6 assistance program services under a signed contract with the
7 department.

8 (9) "Early childhood education and assistance program provider"
9 means an organization that provides site level, direct, and high
10 quality early childhood education and assistance program services
11 under the direction of an early childhood education and assistance
12 program contractor.

13 ~~(10) ("Early start" means an integrated high quality continuum~~
14 ~~of early learning programs for children birth to five years of age.~~
15 ~~Components of early start include, but are not limited to, the~~
16 ~~following:~~

- 17 ~~(a) Home visiting and parent education and support programs;~~
- 18 ~~(b) The early achievers program described in RCW 43.216.085;~~
- 19 ~~(c) Integrated full-day and part-day high quality early learning~~
20 ~~programs; and~~
- 21 ~~(d) High quality preschool for children whose family income is at~~
22 ~~or below one hundred ten percent of the federal poverty level.~~

23 ~~(11))~~ (11) "Education data center" means the education data center
24 established in RCW 43.41.400, commonly referred to as the education
25 research and data center.

26 ~~((12))~~ (12) "Employer" means a person or business that engages
27 the services of one or more people, especially for wages or salary to
28 work in an agency.

29 ~~((13))~~ (13) "Enforcement action" means denial, suspension,
30 revocation, modification, or nonrenewal of a license pursuant to RCW
31 43.216.325(1) or assessment of civil monetary penalties pursuant to
32 RCW 43.216.325(3).

33 ~~((14))~~ (14) "Extended day program" means an early childhood
34 education and assistance program that offers early learning education
35 for at least ten hours per day, a minimum of two thousand hours per
36 year, at least four days per week, and operates year-round.

37 (15) "Family resource and referral linkage system" means a system
38 that connects families to resources, services, and programs for which
39 families are eligible and uses a database that is developed and

1 maintained in partnership with communities, health care providers,
2 and early learning providers.

3 (15) "Full day program" means an early childhood education and
4 assistance program that offers early learning education for a minimum
5 of one thousand hours per year.

6 (16) "Low-income child care provider" means a person who
7 administers a child care program that consists of at least eighty
8 percent of children receiving working connections child care subsidy.

9 (17) "Low-income neighborhood" means a district or community
10 where more than twenty percent of households are below the federal
11 poverty level.

12 (18) "Negative action" means a court order, court judgment, or an
13 adverse action taken by an agency, in any state, federal, tribal, or
14 foreign jurisdiction, which results in a finding against the
15 applicant reasonably related to the individual's character,
16 suitability, and competence to care for or have unsupervised access
17 to children in child care. This may include, but is not limited to:

18 (a) A decision issued by an administrative law judge;

19 (b) A final determination, decision, or finding made by an agency
20 following an investigation;

21 (c) An adverse agency action, including termination, revocation,
22 or denial of a license or certification, or if pending adverse agency
23 action, the voluntary surrender of a license, certification, or
24 contract in lieu of the adverse action;

25 (d) A revocation, denial, or restriction placed on any
26 professional license; or

27 (e) A final decision of a disciplinary board.

28 (19) "Nonconviction information" means arrest, founded
29 allegations of child abuse, or neglect pursuant to chapter 26.44 RCW,
30 or other negative action adverse to the applicant.

31 (20) "Nonschool age child" means a child who is age six years or
32 younger and who is not enrolled in a public or private school.

33 (21) "Part day program" means an early childhood education and
34 assistance program that offers early learning education for at least
35 two and one-half hours per class session, at least three hundred
36 twenty hours per year, for a minimum of thirty weeks per year.

37 (22) "Private school" means a private school approved by the
38 state under chapter 28A.195 RCW.

1 (23) "Probationary license" means a license issued as a
2 disciplinary measure to an agency that has previously been issued a
3 full license but is out of compliance with licensing standards.

4 (24) "Requirement" means any rule, regulation, or standard of
5 care to be maintained by an agency.

6 (25) "School age child" means a child who is five years of age
7 through (~~twelve~~) 12 years of age and is attending a public or
8 private school or is receiving home-based instruction under chapter
9 28A.200 RCW.

10 (26) "Secretary" means the secretary of the department.

11 (27) "Washington state preschool program" means an education
12 program for children three-to-five years of age who have not yet
13 entered kindergarten, such as the early childhood education and
14 assistance program.

15 **Sec. 502.** RCW 28B.50.248 and 2020 c 355 s 4 and 2020 c 279 s 3
16 are each reenacted and amended to read as follows:

17 Nothing in RCW 43.216.135(~~(r)~~) or 43.216.136(~~(r or 43.216.1365)~~)
18 requires a community or technical college to expand any of its
19 existing child care facilities. Any additional child care services
20 provided by a community or technical college as a result of RCW
21 43.216.135(~~(r)~~) or 43.216.136(~~(r or 43.216.1365)~~) must be provided
22 within existing resources and existing facilities.

23 **Sec. 503.** RCW 43.84.092 and 2020 c 354 s 11, 2020 c 221 s 5,
24 2020 c 103 s 7, and 2020 c 18 s 3 are each reenacted and amended to
25 read as follows:

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

29 (2) The treasury income account shall be utilized to pay or
30 receive funds associated with federal programs as required by the
31 federal cash management improvement act of 1990. The treasury income
32 account is subject in all respects to chapter 43.88 RCW, but no
33 appropriation is required for refunds or allocations of interest
34 earnings required by the cash management improvement act. Refunds of
35 interest to the federal treasury required under the cash management
36 improvement act fall under RCW 43.88.180 and shall not require
37 appropriation. The office of financial management shall determine the
38 amounts due to or from the federal government pursuant to the cash

1 management improvement act. The office of financial management may
2 direct transfers of funds between accounts as deemed necessary to
3 implement the provisions of the cash management improvement act, and
4 this subsection. Refunds or allocations shall occur prior to the
5 distributions of earnings set forth in subsection (4) of this
6 section.

7 (3) Except for the provisions of RCW 43.84.160, the treasury
8 income account may be utilized for the payment of purchased banking
9 services on behalf of treasury funds including, but not limited to,
10 depository, safekeeping, and disbursement functions for the state
11 treasury and affected state agencies. The treasury income account is
12 subject in all respects to chapter 43.88 RCW, but no appropriation is
13 required for payments to financial institutions. Payments shall occur
14 prior to distribution of earnings set forth in subsection (4) of this
15 section.

16 (4) Monthly, the state treasurer shall distribute the earnings
17 credited to the treasury income account. The state treasurer shall
18 credit the general fund with all the earnings credited to the
19 treasury income account except:

20 (a) The following accounts and funds shall receive their
21 proportionate share of earnings based upon each account's and fund's
22 average daily balance for the period: The abandoned recreational
23 vehicle disposal account, the aeronautics account, the Alaskan Way
24 viaduct replacement project account, the ambulance transport fund,
25 the brownfield redevelopment trust fund account, the budget
26 stabilization account, the capital vessel replacement account, the
27 capitol building construction account, the Central Washington
28 University capital projects account, the charitable, educational,
29 penal and reformatory institutions account, the Chehalis basin
30 account, the Chehalis basin taxable account, the cleanup settlement
31 account, the Columbia river basin water supply development account,
32 the Columbia river basin taxable bond water supply development
33 account, the Columbia river basin water supply revenue recovery
34 account, the common school construction fund, the community forest
35 trust account, the connecting Washington account, the county arterial
36 preservation account, the county criminal justice assistance account,
37 the deferred compensation administrative account, the deferred
38 compensation principal account, the department of licensing services
39 account, the department of retirement systems expense account, the
40 developmental disabilities community (~~trust~~) services account, the

1 diesel idle reduction account, the drinking water assistance account,
2 the administrative subaccount of the drinking water assistance
3 account, the early learning facilities development account, the early
4 learning facilities revolving account, the Eastern Washington
5 University capital projects account, the education construction fund,
6 the education legacy trust account, the election account, the
7 electric vehicle account, the energy freedom account, the energy
8 recovery act account, the essential rail assistance account, The
9 Evergreen State College capital projects account, the fair start for
10 kids account, the ferry bond retirement fund, the freight mobility
11 investment account, the freight mobility multimodal account, the
12 grade crossing protective fund, the public health services account,
13 the state higher education construction account, the higher education
14 construction account, the higher education retirement plan
15 supplemental benefit fund, the highway bond retirement fund, the
16 highway infrastructure account, the highway safety fund, the hospital
17 safety net assessment fund, the Interstate 405 and state route number
18 167 express toll lanes account, the judges' retirement account, the
19 judicial retirement administrative account, the judicial retirement
20 principal account, the local leasehold excise tax account, the local
21 real estate excise tax account, the local sales and use tax account,
22 the marine resources stewardship trust account, the medical aid
23 account, the money-purchase retirement savings administrative
24 account, the money-purchase retirement savings principal account, the
25 motor vehicle fund, the motorcycle safety education account, the
26 multimodal transportation account, the multiuse roadway safety
27 account, the municipal criminal justice assistance account, the
28 oyster reserve land account, the pension funding stabilization
29 account, the perpetual surveillance and maintenance account, the
30 pilotage account, the pollution liability insurance agency
31 underground storage tank revolving account, the public employees'
32 retirement system plan 1 account, the public employees' retirement
33 system combined plan 2 and plan 3 account, the public facilities
34 construction loan revolving account, the public health supplemental
35 account, the public works assistance account, the Puget Sound capital
36 construction account, the Puget Sound ferry operations account, the
37 Puget Sound Gateway facility account, the Puget Sound taxpayer
38 accountability account, the real estate appraiser commission account,
39 the recreational vehicle account, the regional mobility grant program
40 account, the resource management cost account, the rural arterial

1 trust account, the rural mobility grant program account, the rural
2 Washington loan fund, the sexual assault prevention and response
3 account, the site closure account, the skilled nursing facility
4 safety net trust fund, the small city pavement and sidewalk account,
5 the special category C account, the special wildlife account, the
6 state investment board expense account, the state investment board
7 commingled trust fund accounts, the state patrol highway account, the
8 state reclamation revolving account, the state route number 520 civil
9 penalties account, the state route number 520 corridor account, the
10 state wildlife account, the statewide broadband account, the
11 statewide tourism marketing account, the supplemental pension
12 account, the Tacoma Narrows toll bridge account, the teachers'
13 retirement system plan 1 account, the teachers' retirement system
14 combined plan 2 and plan 3 account, the tobacco prevention and
15 control account, the tobacco settlement account, the toll facility
16 bond retirement account, the transportation 2003 account (nickel
17 account), the transportation equipment fund, the transportation
18 future funding program account, the transportation improvement
19 account, the transportation improvement board bond retirement
20 account, the transportation infrastructure account, the
21 transportation partnership account, the traumatic brain injury
22 account, the University of Washington bond retirement fund, the
23 University of Washington building account, the voluntary cleanup
24 account, the volunteer firefighters' and reserve officers' relief and
25 pension principal fund, the volunteer firefighters' and reserve
26 officers' administrative fund, the vulnerable roadway user education
27 account, the Washington judicial retirement system account, the
28 Washington law enforcement officers' and firefighters' system plan 1
29 retirement account, the Washington law enforcement officers' and
30 firefighters' system plan 2 retirement account, the Washington public
31 safety employees' plan 2 retirement account, the Washington school
32 employees' retirement system combined plan 2 and 3 account, the
33 Washington state patrol retirement account, the Washington State
34 University building account, the Washington State University bond
35 retirement fund, the water pollution control revolving administration
36 account, the water pollution control revolving fund, the Western
37 Washington University capital projects account, the Yakima integrated
38 plan implementation account, the Yakima integrated plan
39 implementation revenue recovery account, and the Yakima integrated
40 plan implementation taxable bond account. Earnings derived from

1 investing balances of the agricultural permanent fund, the normal
2 school permanent fund, the permanent common school fund, the
3 scientific permanent fund, and the state university permanent fund
4 shall be allocated to their respective beneficiary accounts.

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

11 (5) In conformance with Article II, section 37 of the state
12 Constitution, no treasury accounts or funds shall be allocated
13 earnings without the specific affirmative directive of this section.

14 **Sec. 504.** RCW 43.84.092 and 2020 c 354 s 11, 2020 c 221 s 5,
15 2020 c 148 s 3, 2020 c 103 s 7, and 2020 c 18 s 3 are each reenacted
16 and amended to read as follows:

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

20 (2) The treasury income account shall be utilized to pay or
21 receive funds associated with federal programs as required by the
22 federal cash management improvement act of 1990. The treasury income
23 account is subject in all respects to chapter 43.88 RCW, but no
24 appropriation is required for refunds or allocations of interest
25 earnings required by the cash management improvement act. Refunds of
26 interest to the federal treasury required under the cash management
27 improvement act fall under RCW 43.88.180 and shall not require
28 appropriation. The office of financial management shall determine the
29 amounts due to or from the federal government pursuant to the cash
30 management improvement act. The office of financial management may
31 direct transfers of funds between accounts as deemed necessary to
32 implement the provisions of the cash management improvement act, and
33 this subsection. Refunds or allocations shall occur prior to the
34 distributions of earnings set forth in subsection (4) of this
35 section.

36 (3) Except for the provisions of RCW 43.84.160, the treasury
37 income account may be utilized for the payment of purchased banking
38 services on behalf of treasury funds including, but not limited to,
39 depository, safekeeping, and disbursement functions for the state

1 treasury and affected state agencies. The treasury income account is
2 subject in all respects to chapter 43.88 RCW, but no appropriation is
3 required for payments to financial institutions. Payments shall occur
4 prior to distribution of earnings set forth in subsection (4) of this
5 section.

6 (4) Monthly, the state treasurer shall distribute the earnings
7 credited to the treasury income account. The state treasurer shall
8 credit the general fund with all the earnings credited to the
9 treasury income account except:

10 (a) The following accounts and funds shall receive their
11 proportionate share of earnings based upon each account's and fund's
12 average daily balance for the period: The abandoned recreational
13 vehicle disposal account, the aeronautics account, the Alaskan Way
14 viaduct replacement project account, the ambulance transport fund,
15 the brownfield redevelopment trust fund account, the budget
16 stabilization account, the capital vessel replacement account, the
17 capitol building construction account, the Central Washington
18 University capital projects account, the charitable, educational,
19 penal and reformatory institutions account, the Chehalis basin
20 account, the Chehalis basin taxable account, the cleanup settlement
21 account, the Columbia river basin water supply development account,
22 the Columbia river basin taxable bond water supply development
23 account, the Columbia river basin water supply revenue recovery
24 account, the common school construction fund, the community forest
25 trust account, the connecting Washington account, the county arterial
26 preservation account, the county criminal justice assistance account,
27 the deferred compensation administrative account, the deferred
28 compensation principal account, the department of licensing services
29 account, the department of retirement systems expense account, the
30 developmental disabilities community (~~trust~~) services account, the
31 diesel idle reduction account, the drinking water assistance account,
32 the administrative subaccount of the drinking water assistance
33 account, the early learning facilities development account, the early
34 learning facilities revolving account, the Eastern Washington
35 University capital projects account, the education construction fund,
36 the education legacy trust account, the election account, the
37 electric vehicle account, the energy freedom account, the energy
38 recovery act account, the essential rail assistance account, The
39 Evergreen State College capital projects account, the fair start for
40 kids account, the ferry bond retirement fund, the fish, wildlife, and

1 conservation account, the freight mobility investment account, the
2 freight mobility multimodal account, the grade crossing protective
3 fund, the public health services account, the state higher education
4 construction account, the higher education construction account, the
5 higher education retirement plan supplemental benefit fund, the
6 highway bond retirement fund, the highway infrastructure account, the
7 highway safety fund, the hospital safety net assessment fund, the
8 Interstate 405 and state route number 167 express toll lanes account,
9 the judges' retirement account, the judicial retirement
10 administrative account, the judicial retirement principal account,
11 the limited fish and wildlife account, the local leasehold excise tax
12 account, the local real estate excise tax account, the local sales
13 and use tax account, the marine resources stewardship trust account,
14 the medical aid account, the money-purchase retirement savings
15 administrative account, the money-purchase retirement savings
16 principal account, the motor vehicle fund, the motorcycle safety
17 education account, the multimodal transportation account, the
18 multiuse roadway safety account, the municipal criminal justice
19 assistance account, the oyster reserve land account, the pension
20 funding stabilization account, the perpetual surveillance and
21 maintenance account, the pilotage account, the pollution liability
22 insurance agency underground storage tank revolving account, the
23 public employees' retirement system plan 1 account, the public
24 employees' retirement system combined plan 2 and plan 3 account, the
25 public facilities construction loan revolving account, the public
26 health supplemental account, the public works assistance account, the
27 Puget Sound capital construction account, the Puget Sound ferry
28 operations account, the Puget Sound Gateway facility account, the
29 Puget Sound taxpayer accountability account, the real estate
30 appraiser commission account, the recreational vehicle account, the
31 regional mobility grant program account, the resource management cost
32 account, the rural arterial trust account, the rural mobility grant
33 program account, the rural Washington loan fund, the sexual assault
34 prevention and response account, the site closure account, the
35 skilled nursing facility safety net trust fund, the small city
36 pavement and sidewalk account, the special category C account, the
37 special wildlife account, the state investment board expense account,
38 the state investment board commingled trust fund accounts, the state
39 patrol highway account, the state reclamation revolving account, the
40 state route number 520 civil penalties account, the state route

1 number 520 corridor account, the statewide broadband account, the
2 statewide tourism marketing account, the supplemental pension
3 account, the Tacoma Narrows toll bridge account, the teachers'
4 retirement system plan 1 account, the teachers' retirement system
5 combined plan 2 and plan 3 account, the tobacco prevention and
6 control account, the tobacco settlement account, the toll facility
7 bond retirement account, the transportation 2003 account (nickel
8 account), the transportation equipment fund, the transportation
9 future funding program account, the transportation improvement
10 account, the transportation improvement board bond retirement
11 account, the transportation infrastructure account, the
12 transportation partnership account, the traumatic brain injury
13 account, the University of Washington bond retirement fund, the
14 University of Washington building account, the voluntary cleanup
15 account, the volunteer firefighters' and reserve officers' relief and
16 pension principal fund, the volunteer firefighters' and reserve
17 officers' administrative fund, the vulnerable roadway user education
18 account, the Washington judicial retirement system account, the
19 Washington law enforcement officers' and firefighters' system plan 1
20 retirement account, the Washington law enforcement officers' and
21 firefighters' system plan 2 retirement account, the Washington public
22 safety employees' plan 2 retirement account, the Washington school
23 employees' retirement system combined plan 2 and 3 account, the
24 Washington state patrol retirement account, the Washington State
25 University building account, the Washington State University bond
26 retirement fund, the water pollution control revolving administration
27 account, the water pollution control revolving fund, the Western
28 Washington University capital projects account, the Yakima integrated
29 plan implementation account, the Yakima integrated plan
30 implementation revenue recovery account, and the Yakima integrated
31 plan implementation taxable bond account. Earnings derived from
32 investing balances of the agricultural permanent fund, the normal
33 school permanent fund, the permanent common school fund, the
34 scientific permanent fund, and the state university permanent fund
35 shall be allocated to their respective beneficiary accounts.

36 (b) Any state agency that has independent authority over accounts
37 or funds not statutorily required to be held in the state treasury
38 that deposits funds into a fund or account in the state treasury
39 pursuant to an agreement with the office of the state treasurer shall

1 receive its proportionate share of earnings based upon each account's
2 or fund's average daily balance for the period.

3 (5) In conformance with Article II, section 37 of the state
4 Constitution, no treasury accounts or funds shall be allocated
5 earnings without the specific affirmative directive of this section.

6 **Sec. 505.** RCW 43.84.092 and 2020 c 221 s 5, 2020 c 148 s 3, 2020
7 c 103 s 7, and 2020 c 18 s 3 are each reenacted and amended to read
8 as follows:

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

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

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

37 (4) Monthly, the state treasurer shall distribute the earnings
38 credited to the treasury income account. The state treasurer shall

1 credit the general fund with all the earnings credited to the
2 treasury income account except:

3 (a) The following accounts and funds shall receive their
4 proportionate share of earnings based upon each account's and fund's
5 average daily balance for the period: The abandoned recreational
6 vehicle disposal account, the aeronautics account, the Alaskan Way
7 viaduct replacement project account, the brownfield redevelopment
8 trust fund account, the budget stabilization account, the capital
9 vessel replacement account, the capitol building construction
10 account, the Central Washington University capital projects account,
11 the charitable, educational, penal and reformatory institutions
12 account, the Chehalis basin account, the Chehalis basin taxable
13 account, the cleanup settlement account, the Columbia river basin
14 water supply development account, the Columbia river basin taxable
15 bond water supply development account, the Columbia river basin water
16 supply revenue recovery account, the common school construction fund,
17 the community forest trust account, the connecting Washington
18 account, the county arterial preservation account, the county
19 criminal justice assistance account, the deferred compensation
20 administrative account, the deferred compensation principal account,
21 the department of licensing services account, the department of
22 retirement systems expense account, the developmental disabilities
23 community (~~trust~~) services account, the diesel idle reduction
24 account, the drinking water assistance account, the administrative
25 subaccount of the drinking water assistance account, the early
26 learning facilities development account, the early learning
27 facilities revolving account, the Eastern Washington University
28 capital projects account, the education construction fund, the
29 education legacy trust account, the election account, the electric
30 vehicle account, the energy freedom account, the energy recovery act
31 account, the essential rail assistance account, The Evergreen State
32 College capital projects account, the fair start for kids account,
33 the ferry bond retirement fund, the fish, wildlife, and conservation
34 account, the freight mobility investment account, the freight
35 mobility multimodal account, the grade crossing protective fund, the
36 public health services account, the state higher education
37 construction account, the higher education construction account, the
38 higher education retirement plan supplemental benefit fund, the
39 highway bond retirement fund, the highway infrastructure account, the
40 highway safety fund, the hospital safety net assessment fund, the

1 Interstate 405 and state route number 167 express toll lanes account,
2 the judges' retirement account, the judicial retirement
3 administrative account, the judicial retirement principal account,
4 the limited fish and wildlife account, the local leasehold excise tax
5 account, the local real estate excise tax account, the local sales
6 and use tax account, the marine resources stewardship trust account,
7 the medical aid account, the money-purchase retirement savings
8 administrative account, the money-purchase retirement savings
9 principal account, the motor vehicle fund, the motorcycle safety
10 education account, the multimodal transportation account, the
11 multiuse roadway safety account, the municipal criminal justice
12 assistance account, the oyster reserve land account, the pension
13 funding stabilization account, the perpetual surveillance and
14 maintenance account, the pilotage account, the pollution liability
15 insurance agency underground storage tank revolving account, the
16 public employees' retirement system plan 1 account, the public
17 employees' retirement system combined plan 2 and plan 3 account, the
18 public facilities construction loan revolving account, the public
19 health supplemental account, the public works assistance account, the
20 Puget Sound capital construction account, the Puget Sound ferry
21 operations account, the Puget Sound Gateway facility account, the
22 Puget Sound taxpayer accountability account, the real estate
23 appraiser commission account, the recreational vehicle account, the
24 regional mobility grant program account, the resource management cost
25 account, the rural arterial trust account, the rural mobility grant
26 program account, the rural Washington loan fund, the sexual assault
27 prevention and response account, the site closure account, the
28 skilled nursing facility safety net trust fund, the small city
29 pavement and sidewalk account, the special category C account, the
30 special wildlife account, the state investment board expense account,
31 the state investment board commingled trust fund accounts, the state
32 patrol highway account, the state reclamation revolving account, the
33 state route number 520 civil penalties account, the state route
34 number 520 corridor account, the statewide broadband account, the
35 statewide tourism marketing account, the supplemental pension
36 account, the Tacoma Narrows toll bridge account, the teachers'
37 retirement system plan 1 account, the teachers' retirement system
38 combined plan 2 and plan 3 account, the tobacco prevention and
39 control account, the tobacco settlement account, the toll facility
40 bond retirement account, the transportation 2003 account (nickel

1 account), the transportation equipment fund, the transportation
2 future funding program account, the transportation improvement
3 account, the transportation improvement board bond retirement
4 account, the transportation infrastructure account, the
5 transportation partnership account, the traumatic brain injury
6 account, the University of Washington bond retirement fund, the
7 University of Washington building account, the voluntary cleanup
8 account, the volunteer firefighters' and reserve officers' relief and
9 pension principal fund, the volunteer firefighters' and reserve
10 officers' administrative fund, the vulnerable roadway user education
11 account, the Washington judicial retirement system account, the
12 Washington law enforcement officers' and firefighters' system plan 1
13 retirement account, the Washington law enforcement officers' and
14 firefighters' system plan 2 retirement account, the Washington public
15 safety employees' plan 2 retirement account, the Washington school
16 employees' retirement system combined plan 2 and 3 account, the
17 Washington state patrol retirement account, the Washington State
18 University building account, the Washington State University bond
19 retirement fund, the water pollution control revolving administration
20 account, the water pollution control revolving fund, the Western
21 Washington University capital projects account, the Yakima integrated
22 plan implementation account, the Yakima integrated plan
23 implementation revenue recovery account, and the Yakima integrated
24 plan implementation taxable bond account. Earnings derived from
25 investing balances of the agricultural permanent fund, the normal
26 school permanent fund, the permanent common school fund, the
27 scientific permanent fund, and the state university permanent fund
28 shall be allocated to their respective beneficiary accounts.

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

35 (5) In conformance with Article II, section 37 of the state
36 Constitution, no treasury accounts or funds shall be allocated
37 earnings without the specific affirmative directive of this section.

38 **Sec. 506.** RCW 43.216.710 and 2017 3rd sp.s. c 6 s 213 are each
39 amended to read as follows:

1 The department shall:

2 (1) Work in conjunction with the statewide child care resource
3 and referral network as well as local governments, nonprofit
4 organizations, businesses, and community child care advocates to
5 create local child care resource and referral organizations. These
6 organizations may carry out needs assessments, resource development,
7 provider training, technical assistance, and parent information and
8 training;

9 (2) Actively seek public and private money for distribution as
10 grants to the statewide child care resource and referral network and
11 to existing or potential local child care resource and referral
12 organizations;

13 (3) Adopt rules regarding the application for and distribution of
14 grants to local child care resource and referral organizations. The
15 rules shall, at a minimum, require an applicant to submit a plan for
16 achieving the following objectives:

17 (a) Provide parents with information about child care resources,
18 including location of services and subsidies;

19 (b) Carry out child care provider recruitment and training
20 programs, including training under RCW 74.25.040;

21 (c) Offer support services, such as parent and provider seminars,
22 toy-lending libraries, and substitute banks;

23 (d) Provide information for businesses regarding child care
24 supply and demand;

25 (e) Advocate for increased public and private sector resources
26 devoted to child care;

27 (f) Provide technical assistance to employers regarding employee
28 child care services; and

29 (g) Serve recipients of temporary assistance for needy families
30 and working parents with household incomes at or below (~~household~~
31 ~~incomes of two hundred~~) 100 percent of the (~~federal poverty line~~)
32 state median income;

33 (4) Provide staff support and technical assistance to the
34 statewide child care resource and referral network and local child
35 care resource and referral organizations;

36 (5) Maintain a statewide child care licensing data bank and work
37 with department licensors to provide information to local child care
38 resource and referral organizations about licensed or certified child
39 care providers in the state;

1 (6) Through the statewide child care resource and referral
2 network and local resource and referral organizations, compile data
3 about local child care needs and availability for future planning and
4 development;

5 (7) Coordinate with the statewide child care resource and
6 referral network and local child care resource and referral
7 organizations for the provision of training and technical assistance
8 to child care providers;

9 (8) Collect and assemble information regarding the availability
10 of insurance and of federal and other child care funding to assist
11 state and local agencies, businesses, and other child care providers
12 in offering child care services;

13 (9) Subject to the availability of amounts appropriated for this
14 specific purpose, increase the base rate for all child care providers
15 by ten percent;

16 (10) Subject to the availability of amounts appropriated for this
17 specific purpose, provide tiered subsidy rate enhancements to child
18 care providers if the provider meets the following requirements:

19 (a) The provider enrolls in quality rating and improvement system
20 levels 2, 3, 4, or 5;

21 (b) The provider is actively participating in the early achievers
22 program;

23 (c) The provider continues to advance towards level 5 of the
24 early achievers program; and

25 (d) The provider must complete level 2 within thirty months or
26 the reimbursement rate returns the level 1 rate; and

27 (11) Require exempt providers to participate in continuing
28 education, if adequate funding is available.

29 **Sec. 507.** RCW 43.216.514 and 2020 c 343 s 3 are each amended to
30 read as follows:

31 (1)(a) The department shall prioritize children for enrollment in
32 the early childhood education and assistance program who are eligible
33 pursuant to RCW 43.216.505.

34 (b) A child who is eligible at the time of enrollment in the
35 early childhood education and assistance program maintains program
36 eligibility until the child begins kindergarten.

37 (2) As space is available, children may be included in the early
38 childhood education and assistance program pursuant to RCW
39 43.216.512. (~~Priority within this group must be given first to~~

1 ~~children with incomes up to one hundred thirty percent of the federal~~
2 ~~poverty level.))~~

3 **PART VI**
4 **MISCELLANEOUS**

5 NEW SECTION. **Sec. 601.** Nothing in this act changes the
6 department's responsibility to collectively bargain over mandatory
7 subjects consistent with RCW 41.56.028(3) or limits the legislature's
8 authority to make programmatic modifications to licensed child care
9 and early learning programs consistent with legislative reservation
10 of rights under RCW 41.56.028(4)(d). For RCW 43.216.749, the parties
11 should bargain over the implementation of the subsidy rates and apply
12 those rates consistent with that section and the agreement reached
13 between the parties.

14 NEW SECTION. **Sec. 602.** RCW 43.216.1365 (Working connections
15 child care program—Eligibility) and 2020 c 355 s 3 are each repealed.

16 NEW SECTION. **Sec. 603.** If any part of this act is found to be
17 in conflict with federal requirements that are a prescribed condition
18 to the allocation of federal funds to the state, the conflicting part
19 of this act is inoperative solely to the extent of the conflict and
20 with respect to the agencies directly affected, and this finding does
21 not affect the operation of the remainder of this act in its
22 application to the agencies concerned. Rules adopted under this act
23 must meet federal requirements that are a necessary condition to the
24 receipt of federal funds by the state.

25 NEW SECTION. **Sec. 604.** Sections 204 through 206 and 403 of this
26 act take effect July 1, 2026.

27 NEW SECTION. **Sec. 605.** Sections 101, 102, 105, 201, 206, 207,
28 302 through 307, 309, 311 through 313, 402, 404, 405, and 601 of this
29 act are each added to chapter 43.216 RCW.

30 NEW SECTION. **Sec. 606.** Section 503 of this act expires July 1,
31 2021.

1 NEW SECTION. **Sec. 607.** Sections 201, 202, 301, 310, and 504 of
2 this act are necessary for the immediate preservation of the public
3 peace, health, or safety, or support of the state government and its
4 existing public institutions, and take effect July 1, 2021.

5 NEW SECTION. **Sec. 608.** Section 504 of this act expires July 1,
6 2024.

7 NEW SECTION. **Sec. 609.** Section 505 of this act takes effect
8 July 1, 2024.

9 NEW SECTION. **Sec. 610.** Section 503 of this act is necessary for
10 the immediate preservation of the public peace, health, or safety, or
11 support of the state government and its existing public institutions,
12 and takes effect immediately.

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