

---

**HOUSE BILL 2195**

---

**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** Representatives Callan, Eslick, Senn, Chopp, Ramel, Paul, Reeves, Ormsby, Hackney, Reed, Fosse, Doglio, Goodman, and Davis

Read first time 01/09/24. Referred to Committee on Capital Budget.

1 AN ACT Relating to strengthening the early learning facilities  
2 grant and loan program by revising criteria and providing resources  
3 to the Ruth LeCocq Kagi early learning facilities development  
4 account; amending RCW 43.31.577, 82.87.030, and 43.31.575; adding a  
5 new section to chapter 43.31 RCW; and providing effective dates.

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

7 **Sec. 1.** RCW 43.31.577 and 2023 c 474 s 8031 are each amended to  
8 read as follows:

9 (1) Activities eligible for funding through the early learning  
10 facilities grant and loan program for eligible organizations include:

11 (a) Facility predesign grants or loans (~~of no more than~~  
12 ~~\$20,000~~) to allow eligible organizations to secure professional  
13 services or consult with organizations certified by the community  
14 development financial institutions fund to plan for and assess the  
15 feasibility of early learning facilities projects or receive other  
16 technical assistance to design and develop projects for construction  
17 funding;

18 (b) Grants or loans (~~of no more than \$200,000 for minor~~  
19 ~~renovations or repairs of existing early learning facilities or~~) for  
20 predevelopment activities to advance a proposal from planning to  
21 major construction or renovation;

1 (c) Grants or loans for renovations or repairs of existing early  
2 learning facilities;

3 (d) Major construction and renovation grants or loans and grants  
4 or loans for facility purchases (~~(of no more than \$1,000,000)~~) to  
5 create or expand early learning facilities(~~(, except that during the~~  
6 ~~2023-2025 fiscal biennium these grants or loans may not exceed~~  
7 ~~\$2,500,000))~~; and

8 (~~(d)~~) (e) Administration costs associated with conducting  
9 application processes, managing contracts, translation services, and  
10 providing technical assistance.

11 (2) For grants or loans awarded under subsection (1)(c) and (d)  
12 of this section, the department must prioritize applications for  
13 facilities that are ready for construction.

14 (3) Activities eligible for funding through the early learning  
15 facilities grant and loan program for school districts include major  
16 construction, purchase, and renovation grants or loans (~~(of no more~~  
17 ~~than \$1,000,000)~~) to create or expand early learning facilities that  
18 received priority and ranking as described in RCW 43.31.581.

19 (~~(3) Amounts in this section must be increased annually by the~~  
20 ~~United States implicit price deflator for state and local government~~  
21 ~~construction provided by the office of financial management.)~~)

22 NEW SECTION. Sec. 2. A new section is added to chapter 43.31  
23 RCW to read as follows:

24 For early learning facilities collocated with affordable or  
25 supportive housing developments, the department may remit state  
26 funding on a reimbursement basis for 90 percent of eligible project  
27 costs, regardless of the project's match amount, once the nonstate  
28 share of project costs have been either expended or firmly committed  
29 in an amount sufficient to complete the entire project or a distinct  
30 phase of the project that is useable to the public as an early  
31 learning facility. Eligible housing developments are projects that  
32 have received public funding and have secured enough funding to  
33 complete construction of the project that will result in a  
34 certificate of occupancy to open the affordable housing development,  
35 including the early learning facility.

36 **Sec. 3.** RCW 82.87.030 and 2021 c 196 s 2 are each amended to  
37 read as follows:

1 (1) All taxes, interest, and penalties collected under this  
2 chapter shall be distributed as follows:

3 (a) The first \$500,000,000 collected each fiscal year shall be  
4 deposited into the education legacy trust account created in RCW  
5 83.100.230; and

6 (b) ~~((Any remainder collected each fiscal year shall be deposited  
7 into))~~ Beginning July 1, 2024, and annually thereafter, the state  
8 treasurer shall distribute any remaining revenues collected as  
9 follows:

10 (i) 25 percent to the Ruth LeCocq Kagi early learning facilities  
11 development account created in RCW 43.31.569; and

12 (ii) 75 percent to the common school construction ~~((account~~  
13 ~~{fund}))~~ fund.

14 (2) The amounts specified under subsection (1)(a) of this section  
15 shall be adjusted annually as provided under RCW 82.87.150.

16 **Sec. 4.** RCW 43.31.575 and 2021 c 130 s 2 are each amended to  
17 read as follows:

18 (1) Organizations eligible to receive funding from the early  
19 learning facilities grant and loan program include:

20 (a) Early childhood education and assistance program providers;

21 (b) Working connections child care providers who are eligible to  
22 receive state subsidies;

23 (c) Licensed early learning centers not currently participating  
24 in the early childhood education and assistance program, but  
25 intending to do so;

26 (d) Developers of housing and community facilities;

27 (e) Community and technical colleges;

28 (f) Educational service districts;

29 (g) Local governments;

30 (h) Federally recognized tribes in the state; and

31 (i) Religiously affiliated entities.

32 (2) To be eligible to receive funding from the early learning  
33 facilities grant and loan program for activities described in RCW  
34 43.31.577 (1) (b), (c), and ~~((e))~~ (d) and (2), eligible  
35 organizations and school districts must:

36 (a) Commit to being an active participant in good standing with  
37 the early achievers program as defined by chapter 43.216 RCW; and

38 (b) Demonstrate that projects receiving construction, purchase,  
39 or renovation grants or loans must also:

1 (i) Demonstrate that the project site is under the applicant's  
2 control for a minimum of ten years, either through ownership or a  
3 long-term lease; and

4 (ii) Commit to using the facility funded by the grant or loan for  
5 the purposes of providing preschool or child care for a minimum of  
6 ten years.

7 (3) To be eligible to receive funding from the early learning  
8 facilities grant and loan program for activities described in RCW  
9 43.31.577 (1) (b), (c), and ~~((e))~~ (d) and (2), religiously  
10 affiliated entities must use the facility to provide child care and  
11 education services consistent with subsection (4)(a) of this section.

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

15 (b) If the recipient does not meet the conditions specified in  
16 (a) of this subsection, the grants shall be repaid to the early  
17 learning facilities revolving account or the early learning  
18 facilities development account, as directed by the department. So  
19 long as an eligible organization continues to provide an early  
20 learning program in the facility, the facility is used as authorized,  
21 and the eligible organization continues to be an active participant  
22 and in good standing with the early achievers program, the grant  
23 repayment is waived.

24 (c) The department, in consultation with the department of  
25 children, youth, and families, ~~((must))~~ may adopt rules to implement  
26 this section.

27 NEW SECTION. **Sec. 5.** Section 1 of this act takes effect July 1,  
28 2025.

29 NEW SECTION. **Sec. 6.** Section 3 of this act takes effect July 1,  
30 2024.

--- END ---