
HOUSE BILL 1364

State of Washington 62nd Legislature 2011 Regular Session

By Representatives Pettigrew, Walsh, Eddy, Springer, Appleton, Goodman, Roberts, Kagi, Kenney, and Santos

Read first time 01/19/11. Referred to Committee on Health & Human Services Appropriations & Oversight.

1 AN ACT Relating to child care center subsidies; amending RCW
2 74.12.010; adding new sections to chapter 74.08A RCW; adding a new
3 section to chapter 74.12 RCW; adding a new section to chapter 43.215
4 RCW; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that, as of 2011, the
7 challenges posed by low subsidies for child care providers persist. As
8 a result, the availability of quality child care in the state continues
9 to suffer. The legislature further finds that while state child care
10 subsidy programs assist eligible families with children pay child care
11 costs, the amount of the current subsidy does not cover the costs of
12 caring for children and that a structure to provide for regular subsidy
13 increases should be put in place.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 74.08A RCW
15 to read as follows:

16 For purposes of this chapter, "child care subsidy" means a payment
17 from the state through a child care subsidy program established

1 pursuant to RCW 74.12.340, 74.08A.340, 45 C.F.R. Sec. 98.1 through
2 98.17, or any successor program.

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 74.08A RCW
4 to read as follows:

5 (1) On July 1, 2014, the child care subsidy rates paid to all child
6 care centers shall be increased by five percent if the director of the
7 office of financial management has certified that this increase is
8 economically feasible for the state.

9 (2) Beginning with the 2015-2017 biennium and every two years
10 thereafter, the rates of child care subsidies paid to all child care
11 centers shall be adjusted for inflation if the director of the office
12 of financial management has certified that this increase is
13 economically feasible for the state. The adjustment made under this
14 subsection must be made using one of the following indices, whichever
15 produces the greatest increase to the subsidy rate for that biennium:

16 (a) The consumer price index, which for the purposes of this
17 section, means, for any calendar year, the consumer price index for the
18 Seattle, Washington, area as compiled by the bureau of labor statistics
19 of the United States department of labor; or

20 (b) The implicit price deflator for personal consumption
21 expenditures for the United States as published for the most recent
22 twelve-month period by the bureau of economic analysis of the United
23 States department of commerce.

24 **Sec. 4.** RCW 74.12.010 and 1999 c 120 s 1 are each amended to read
25 as follows:

26 (1) For the purposes of the administration of temporary assistance
27 for needy families, the term "dependent child" means any child in need
28 under the age of eighteen years who is living with a relative as
29 specified under federal temporary assistance for needy families program
30 requirements, in a place of residence maintained by one or more of such
31 relatives as his, her, or their home(~~s~~). The term a "dependent
32 child" shall, notwithstanding the foregoing, also include a child who
33 would meet such requirements except for his or her removal from the
34 home of a relative specified above as a result of a judicial
35 determination that continuation therein would be contrary to the
36 welfare of such child, for whose placement and care the state

1 department of social and health services or the county office is
2 responsible, and who has been placed in a licensed or approved child
3 care institution or foster home as a result of such determination and
4 who: ~~((+1))~~ (a) Was receiving an aid to families with dependent
5 children grant for the month in which court proceedings leading to such
6 determination were initiated; or ~~((+2))~~ (b) would have received aid to
7 families with dependent children for such month if application had been
8 made therefor; or ~~((+3))~~ (c) in the case of a child who had been
9 living with a specified relative within six months prior to the month
10 in which such proceedings were initiated, would have received aid to
11 families with dependent children for such month if in such month he or
12 she had been living with such a relative and application had been made
13 therefor, as authorized by the social security act.

14 (2) "Child care subsidy" means a payment from the state through a
15 child care subsidy program established pursuant to RCW 74.12.340,
16 74.08A.340, 45 C.F.R. Sec. 98.1 through 98.17, or any successor
17 program.

18 (3) "Temporary assistance for needy families" means money payments,
19 services, and remedial care with respect to a dependent child or
20 dependent children and the needy parent or relative with whom the child
21 lives.

22 NEW SECTION. Sec. 5. A new section is added to chapter 74.12 RCW
23 to read as follows:

24 (1) On July 1, 2014, the child care subsidy rates paid to all child
25 care centers shall be increased by five percent if the director of the
26 office of financial management has certified that this increase is
27 economically feasible for the state.

28 (2) Beginning with the 2015-2017 biennium and every two years
29 thereafter, the rates of child care subsidies paid to all child care
30 centers shall be adjusted for inflation if the director of the office
31 of financial management has certified that this increase is
32 economically feasible for the state. The adjustment made under this
33 subsection must be made using one of the following indices, whichever
34 produces the greatest increase to the subsidy rate for that biennium:

35 (a) The consumer price index, which for the purposes of this
36 section, means, for any calendar year, the consumer price index for the

1 Seattle, Washington, area as compiled by the bureau of labor statistics
2 of the United States department of labor; or

3 (b) The implicit price deflator for personal consumption
4 expenditures for the United States as published for the most recent
5 twelve-month period by the bureau of economic analysis of the United
6 States department of commerce.

7 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.215 RCW
8 to read as follows:

9 The department shall review the subsidy rates currently paid to
10 child care centers whose average daily population includes more than
11 fifty percent of children for whom the center receives a state
12 subsidized rate. No later than December 1, 2011, the department shall
13 make a recommendation to the appropriate legislative committees whether
14 the subsidy rates to these child care centers should be increased, and
15 if so, by how much and for what reasons. In developing its
16 recommendation, the department must consider the results of the state's
17 voluntary quality improvement rating system pilot communities and
18 potential impacts a variable subsidy rate structure would have on the
19 quality of child care in the state. If the department recommends that
20 subsidy rates for these centers should not be raised, then it shall
21 detail the reasons for its conclusion.

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