

2SHB 1344 - S COMM AMD
By Committee on Ways & Means

ADOPTED AND ENGROSSED 4/12/19

1 Strike everything after the enacting clause and insert the
2 following:

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

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

19 (3) The legislature recognizes that expanding access to quality
20 child care requires preparing the market of child care providers to
21 meet existing and expanded demand. The legislature finds that the
22 market of child care providers is shrinking, that child care deserts
23 are expanding, and that fewer providers are offering services to
24 working connections child care subsidy recipients. The legislature
25 additionally finds that child care providers are unable to recruit
26 and retain a qualified workforce; that wages in the industry remain
27 among the lowest of all professions, at or near minimum wage; and
28 that the relationship between a child and a qualified caregiver is of
29 paramount importance to parents and, according to a rapidly
30 accumulating body of brain science, is foundational to supporting
31 healthy development.

1 (4) Further, while the system awaits systemic change, the
2 legislature finds that steps must be taken to begin to preserve and
3 expand access to child care for child care subsidy recipients,
4 stabilize the child care industry, and reduce turnover in the
5 workforce.

6 (5) Therefore, the legislature intends to promote high quality
7 child care from diverse providers that is accessible and affordable
8 to all families of Washington's children ages birth to twelve.

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

11 (1)(a) The department shall enter into one or more contracts for
12 the development of a regional assessment of the child care industry
13 in Washington in order to better understand issues affecting child
14 care access and affordability for families. The department shall
15 collaborate with the office of innovation, alignment, and
16 accountability within the department of children, youth, and families
17 to ensure efficient use of available data and rigorous research
18 methods and to assist with interpretation of data and report
19 preparation.

20 (b) The department shall conduct one or more competitive
21 solicitations in accordance with chapter 39.26 RCW to select a third-
22 party entity or entities to conduct the industry assessment in
23 partnership with a statewide organization representing parents. The
24 third-party entity or entities selected by the department through the
25 competitive process must have experience in national industry
26 assessment and expertise in conducting facilities' needs assessments.
27 The statewide organization representing parents must have experience
28 conducting parent listening tours.

29 (c) The department may use a combination of private and public
30 resources to support activities related to the child care industry
31 assessment conducted under this section.

32 (2) The industry assessment must be submitted to the appropriate
33 policy and fiscal committees of the legislature, the governor, and
34 the members of the child care collaborative task force established in
35 chapter 91, Laws of 2018 by July 1, 2020. The assessment may be
36 developed using existing reports, studies, models, and analysis
37 related to child care affordability and access. The assessment must,
38 at a minimum:

1 (a) Incorporate current data on the number of children age twelve
2 and under who are receiving care from child care and early learning
3 providers. The data must differentiate, to the extent possible:
4 Children served by licensed and certified child care centers and
5 family homes; public schools providing preschool and child care
6 programs; private schools providing child care programs; state
7 agencies and other public municipalities providing child care
8 programs; license-exempt providers who care for children for four
9 hours or less per day; family, friend, and neighbor caregivers;
10 nannies and au pairs; religious organizations providing care;
11 entities providing before-and-after school care; employer-supported
12 child care; and other formal and informal networks of care. The data
13 must, to the extent possible, include a breakdown by provider type of
14 the:

15 (i) Number of children receiving state subsidized care;
16 (ii) Number of children receiving exclusively private pay care;
17 (iii) Number of providers who are accepting state subsidy and,
18 for providers who are not accepting subsidy, reasons why not;

19 (iv) Demographics of children served, including age, race, rates
20 of developmental delays or disability, family income, home language,
21 and population group trends. Demographic information must include
22 military, homeless, and tribal families; and

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

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

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

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

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

36 (f) Include, to the extent possible, an analysis of the
37 industry's quantitative or qualitative contribution to the state's
38 economy, including:

39 (i) Employment and wage information for self-employed licensed
40 child care providers and the employees of licensed child care

1 providers, including information about providers accessing public
2 assistance;

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

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

7 (iv) Direct and indirect effects on labor participation,
8 workplace productivity, and household earnings of working parents who
9 use child care. The analysis must include information related to the
10 workplace productivity of workers using employer-supported child
11 care; and

12 (g) Include a facilities needs assessment to determine the type
13 and number of child care facilities necessary to address unmet
14 capacity needs for high quality child care programs such as the early
15 childhood education and assistance program, headstart, working
16 connections child care, and early head start. The needs assessment
17 must include zip code level analysis to identify geographic areas
18 with concentrated barriers to access.

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

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

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

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

26 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.41
27 RCW to read as follows:

28 (1) The office of financial management, within existing
29 resources, in partnership with the department of commerce, the office
30 of innovation, alignment, and accountability within the department of
31 children, youth, and families, and the health care authority, shall
32 develop a survey for state executive branch agency employees in order
33 to better understand issues affecting child care access and
34 affordability for state employees' families.

35 (2) The survey must, at a minimum:

36 (a) Identify the number of children age twelve and under of state
37 employees who are receiving care from child care or early learning
38 providers. The survey must allow employees to differentiate, to the

1 extent possible, the type of child care or early learning provider
2 serving the family, including:

- 3 (i) Licensed and certified child care centers and family homes;
- 4 (ii) License-exempt providers who care for children for four
5 hours or less per day;
- 6 (iii) Family, friend, and neighbor caregivers;
- 7 (iv) Nannies and au pairs;
- 8 (v) Religious organizations providing care;
- 9 (vi) Entities providing before-and-after school care;
- 10 (vii) Employer-supported child care; and
- 11 (viii) Other formal and informal networks of care;

12 (b) Identify the number of children age twelve and under whose
13 care is paid for in whole or in part with state subsidies;

14 (c) Allow employees to describe challenges they face in accessing
15 or paying for child care; and

16 (d) Ask employees to provide their total annual household income.

17 (3) The survey must be made available to all state executive
18 branch agency employees with children age twelve and under no later
19 than January 15, 2020.

20 (4) The department of commerce, in collaboration with the office
21 of financial management and the office of innovation, alignment, and
22 accountability within the department of children, youth, and
23 families, shall analyze this data and report as part of the larger
24 industry analysis described in section 2 of this act. In addition to
25 the information required under section 2 of this act, the report must
26 also include:

27 (a) A breakdown of:

28 (i) The number of children of state executive branch agency
29 employees receiving care based on provider type;

30 (ii) The number of children of state executive branch agency
31 employees receiving state subsidized care; and

32 (iii) The number of children of state executive branch agency
33 employees receiving exclusively private pay care;

34 (b) An analysis of the relationship between family child care
35 choices and household income bracket; and

36 (c) A narrative summary of the challenges that state executive
37 branch agency employees face in accessing or paying for child care.

38 (5) This section expires December 31, 2020.

1 **Sec. 4.** 2018 c 91 s 1 (uncodified) is amended to read as
2 follows:

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

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

8 (b) Develop policy recommendations pursuant to section 6 of this
9 act. (~~The director of the department of commerce or his or her~~
10 ~~designee must convene the first meeting of the task force by~~
11 ~~September 1, 2018.~~)

12 (2) The task force shall develop policies and recommendations to
13 incentivize employer-supported child care and improve child care
14 access and affordability for employees. To accomplish its duties, the
15 task force shall evaluate current available data including, but not
16 limited to:

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

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

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

23 (d) The industry assessment conducted pursuant to section 2 of
24 this act.

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

27 (~~Five representatives of private business, including: One~~
28 ~~representative of a small business; one representative of a medium-~~
29 ~~sized business; one representative of a large business; and two~~
30 ~~chamber of commerce representatives, one located east of the crest of~~
31 ~~the Cascade mountains and one located west of the crest of the~~
32 ~~Cascade mountains;~~

33 ~~(b))~~ (b) One representative from a union representing child care
34 providers;

35 ~~((e))~~ (b) One representative from the statewide child care
36 resource and referral network;

37 ~~((d))~~ (c) One representative of an organization representing
38 the interests of licensed child day care centers;

1 ~~((e))~~ (d) One representative of a statewide nonprofit
2 organization comprised of senior executives of major private sector
3 employers;

4 ~~((f))~~ (e) One representative of a nongovernmental private-
5 public partnership supporting home visiting service delivery;

6 ~~((g))~~ (f) One representative of a federally recognized tribe;
7 and

8 ~~((h))~~ (g) One representative from an association representing
9 business interests.

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

13 (a) The department of commerce;

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

17 (c) ~~((The employment security department;~~

18 ~~(d) The department of revenue;~~

19 ~~(e) The department of social and health services; and~~

20 ~~(f))~~ The office of the governor.

21 (5) The president of the senate shall appoint one member to the
22 task force from each of the two largest caucuses of the senate to
23 serve as ~~((nonvoting))~~ voting members of the task force.

24 (6) The speaker of the house of representatives shall appoint one
25 member to the task force from each of the two largest caucuses in the
26 house of representatives to serve as ~~((nonvoting))~~ voting members of
27 the task force.

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

29 (a) Three representatives from the child care industry. At least
30 one of the child care industry representatives must be a provider
31 from a rural community. The three representatives must include: One
32 licensed child day care center provider; one licensed family day care
33 provider; and one representative of family, friend, and neighbor
34 child care providers;

35 (b) ~~((Two representatives of economic development organizations,~~
36 ~~one located east of the crest of the Cascade mountains and one~~
37 ~~located west of the crest of the Cascade mountains;~~

38 ~~(c) Four representatives of)~~ One representative from each of the
39 following: An advocacy organization~~((s))~~ representing parents, an
40 early learning advocacy organization, a foster care youth advocacy

1 organization, and an organization representing expanded learning
2 opportunity interests;

3 ~~((d) One representative from an association representing~~
4 ~~statewide transit interests;~~

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

6 ~~(f) One representative of a nonprofit organization providing~~
7 ~~training and professional development for family day care providers~~
8 ~~and family, friend, and neighbor child care providers))~~

9 (c) One representative from the child care workforce development
10 technical work group established in chapter 1, Laws of 2017 3rd sp.
11 sess.;

12 (d) An early learning policy expert; and

13 (e) One representative of an organization of early learning
14 providers focused on preserving languages and culture by serving
15 immigrant and refugee communities.

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

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

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

24 (11) Legislative members of the task force shall be reimbursed
25 for travel expenses in accordance with RCW 44.04.120. Nonlegislative
26 members shall be reimbursed for travel expenses in accordance with
27 chapter 43.03 RCW.

28 (12) Licensed family home child care providers and child care
29 center providers serving as members of the task force must be
30 reimbursed for the cost of hiring a substitute for times the provider
31 is away from the child care businesses for official task force travel
32 and meetings.

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

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

38 (i) Employer-supported child care by public and private
39 employers; and

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

1 (b) Opportunities for streamlining permitting and licensing
2 requirements to facilitate the development and construction of child
3 care facilities;

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

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

8 (e) Policy recommendations that address racial, ethnic, and
9 geographic disparity and disproportionality in service delivery and
10 accessibility to services for families.

11 ((~~13~~)) (14) For the purposes of this section:

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

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

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

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

19 ((~~14~~)) (15) This section expires ((~~December 30, 2019~~)) July 1,
20 2021.

21 NEW SECTION. **Sec. 5.** (1) Members of the child care
22 collaborative task force created by chapter 91, Laws of 2018, and
23 serving on the task force as of January 1, 2019, may continue to
24 serve as members of the task force without reappointment.

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

26 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.330
27 RCW to read as follows:

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

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

33 (A) Regional differences;

34 (B) Employee salaries and benefits;

35 (C) Enrollment levels;

36 (D) Facility costs; and

37 (E) Costs associated with compliance with statutory and
38 regulatory requirements, including quality rating system

1 participation and identify specific costs associated with each level
2 of the rating system and any quality indicators utilized.

3 (ii) The model must utilize existing data and research available
4 from existing studies and reports.

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

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

13 (c) Evaluate recommendations from the department of children,
14 youth, and families' technical work group on compensation, including
15 consideration of pay scale changes, to achieve pay parity with K-12
16 teachers by January 1, 2025. When considering implementation of the
17 technical work group recommendations, the task force shall further
18 develop policy recommendations for the department of children, youth,
19 and families that:

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

23 (ii) Include a salary floor that supports recruitment and
24 retention of a qualified workforce in every early learning setting,
25 determined by an analysis of fields that compete to recruit workers
26 with comparable skills, competencies, and experience of early
27 childhood educators;

28 (iii) Index salaries for providers against the salary for a
29 typical preschool lead teacher, differentiating base compensation for
30 varying levels of responsibility within the early childhood workplace
31 including consideration of center directors, assistant directors,
32 lead teachers, assistant teachers, paraprofessionals, family child
33 care owners, and family home assistants;

34 (iv) Incentivize advancements in relevant higher education
35 credentials and credential equivalencies, training, and years of
36 experience, by increasing compensation for each of these, including
37 early learning certificates, associate degrees, bachelor's degrees,
38 master's degrees, and doctoral degrees;

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

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

6 (vii) Differentiate subsidy rates by region; and

7 (viii) Provide additional targeted investments for providers
8 serving a high proportion of working connections child care families,
9 providers demonstrating additional linguistic or cultural competency,
10 and providers serving populations furthest from opportunity,
11 including:

12 (A) Families enrolled in the early childhood education and
13 assistance program;

14 (B) Underserved geographic communities;

15 (C) Underserved ethnic or linguistic communities;

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

17 (E) Populations with specialized health or educational needs;

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

24 (i) Increasing program income eligibility to three hundred
25 percent of the federal poverty level or eighty-five percent of the
26 state median income;

27 (ii) Establishing a graduated system of copayments that
28 eliminates the cliff effect for families and limits the amount a
29 family pays for child care to a maximum of seven percent of the
30 family's income by January 1, 2025;

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

34 (iv) Eliminating work requirements for student families
35 participating in the working connections child care program; and

36 (v) Eliminating the fiscal cap on working connections child care
37 enrollment; and

38 (e) Develop a strategy, timeline, and implementation plan to
39 reach the goal of accessible and affordable child care for all
40 families by the year 2025.

1 (2) By December 1, 2020, the task force must submit its findings
2 and required implementation plan pursuant to subsection (1)(a)
3 through (d) of this section to the governor and the appropriate
4 committees of the legislature. By June 1, 2021, the task force must
5 submit the strategy, timeline, and implementation plan required by
6 subsection (1)(e) of this section to the governor and the appropriate
7 committees of the legislature.

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

9 NEW SECTION. **Sec. 7.** (1) By January 1, 2025, the department of
10 children, youth, and families must use the child care cost model
11 developed under section 6 of this act to determine child care subsidy
12 rates.

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

14 NEW SECTION. **Sec. 8.** Section 4 of this act is added to chapter
15 43.330 RCW.

16 NEW SECTION. **Sec. 9.** This act may be known and cited as the
17 Washington child care access now act.

18 NEW SECTION. **Sec. 10.** If specific funding for the purposes of
19 this act, referencing this act by bill or chapter number, is not
20 provided by June 30, 2019, in the omnibus appropriations act, this
21 act is null and void."

2SHB 1344 - S COMM AMD

By Committee on Ways & Means

ADOPTED 4/12/19

22 On page 1, line 2 of the title, after "act;" strike the remainder
23 of the title and insert "amending 2018 c 91 s 1 (uncodified); adding
24 new sections to chapter 43.330 RCW; adding a new section to chapter
25 43.41 RCW; creating new sections; and providing expiration dates."

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