

# HOUSE BILL REPORT

## HB 1145

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**As Reported by House Committee On:**  
State Government & Tribal Relations

**Title:** An act relating to Washington child care access for resident employees of the state.

**Brief Description:** Concerning Washington child care access for resident employees of the state.

**Sponsors:** Representatives Reeves, Riccelli, Robinson, Stanford and Pollet.

**Brief History:**

**Committee Activity:**

State Government & Tribal Relations: 1/23/19, 1/29/19 [DPS].

**Brief Summary of Substitute Bill**

- Instructs agencies to implement a bring your infant to work policy.
- Creates a sick child shared leave program and shared leave pool.
- Establishes a pilot project for state employers to match an employee's Dependent Care Assistance Program contributions.
- Commissions a survey of state employees about the child care they receive for children under age 12, as well as the challenges they face in accessing and paying for child care.

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### HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL RELATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Gregerson, Chair; Pellicciotti, Vice Chair; Walsh, Ranking Minority Member; Goehner, Assistant Ranking Minority Member; Appleton, Dolan and Hudgins.

**Minority Report:** Without recommendation. Signed by 2 members: Representatives Mosbrucker and Smith.

**Staff:** Jason Zolle (786-7124).

**Background:**

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

### Bring Your Infant to Work Policy.

In 2018 the Department of Commerce convened the Child Care Collaborative Task Force (Task Force) comprised of representatives from the Legislature, several state agencies, private businesses, nongovernmental organizations, and child care providers. The Task Force was instructed to examine data regarding child care providers and research about employer-supported child care, with the goal of understanding how the economy and workforce would be affected if employees had easier access to high quality and affordable child care. By November 1, 2019, the Task Force must submit a report to the Governor and Legislature with recommendations to improve access to child care, including:

- options for the state to incentivize employer-supported child care;
- ways to streamline permitting and licensing requirements for child care facilities; and
- a model policy for a bring your infant to work program for public and private employees.

### Shared Leave Pool.

Many Washington state employees have access to a leave sharing program that allows employees to donate some of their sick or annual leave hours to other employees. To be eligible to receive shared leave, an employee must need the leave because:

- the employee, or a relative or household member, is suffering from an extraordinary or severe illness, injury, or condition;
- the employee has been called to the Armed Forces or National Guard;
- the employee is a service member or veteran, or a spouse, who is attending medical appointments or treatment for a service-connected injury;
- the employee volunteers to respond to a state of emergency declared in the United States;
- the employee is a victim of domestic violence, sexual assault, or stalking; or
- the employee needs the time for parental leave or because of a pregnancy disability.

The rules for taking shared leave differ depending on the reason that the leave is needed. In general, shared leave is available if the employee has depleted or will soon deplete available paid leave and, without access to additional leave donated by a fellow employee, would have to go on leave without pay or terminate state employment. The ability to take shared leave is subject to the discretion of the agency head, except leave must be allowed for veterans and their spouses.

Rather than donating leave directly to another employee, there are also a few shared leave pools to which employees may donate leave hours to be used by another employee in need. An employee who needs shared leave may take leave so long as there are hours available in the pool. There is a leave pool for veterans and their spouses, foster parents needing to care for or prepare to accept a foster child in their home, and service members called to duty or requiring medical care.

### Dependent Care Assistance Program.

Federal law allows employers to create a dependent care assistance program (DCAP) for their employees. When an employer does so, its employees may deposit up to \$5,000 of their annual income into their DCAP account as a pre-tax contribution—i.e., an employee does not pay federal income taxes on that amount. The money in that DCAP account can be used to pay for child care expenses, including:

- before and after school child care;
- babysitters;
- child care by a relative;
- extended day programs; and
- sick child care.

With a letter of medical necessity, DCAP funds can also be used to pay for a child incapable of self-care, daycare for a child age 13 or older, or elder care.

Washington has a DCAP program for its state employees who are eligible for benefits. The program is administered by the Health Care Authority (HCA), who contracts with a private company to implement the program.

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### **Summary of Substitute Bill:**

#### Bring Your Infant to Work Policy.

The Office of Financial Management (OFM) must consult with the Task Force to modify the Task Force's model Bring Your Infant to Work policy so that it can be implemented at state agencies. State agencies must adopt the Bring Your Infant to Work policy by July 1, 2020. The policy may be modified as necessary to accommodate the working conditions and job duties of the agency's employees.

#### Shared Leave Pool.

Employees are eligible to receive shared leave hours when they have a child under the age of 13 who is too sick to attend child care under rules set by the Department of Children, Youth, and Families (DCYF). A shared leave pool is created to allow employees to donate leave for these parents of sick children.

#### Dependent Care Assistance Program.

A one-year pilot project is established under which state agencies must provide matching contributions to its employees' contributions to their DCAP accounts, up to \$2,500 per year.

The HCA is responsible for drafting and implementing the pilot project. The HCA is instructed to select three to five state agencies to participate: at least one small, one medium, and one large agency. All DCAP-eligible employees of those agencies may participate in the pilot project. Matching contributions by the agency-employer are deposited into the employee's DCAP account.

The pilot project begins January 1, 2020, and lasts for one year. By June 30, 2021, the HCA must submit a report to the Legislature that includes data on the pilot project and recommendations to modify or expand the program.

#### Survey of Child Care Needs of State Employees.

The Department of Commerce is instructed to develop a survey for state employees to better understand issues affecting child care access and affordability. The survey must be

developed in partnership with the Department of Enterprise Services, the OFM, the DCYF, and the HCA.

The survey has both a quantitative and qualitative component. The survey must collect data about the number of children age 12 and under of state employees who are receiving child care, the type of child care these children receive, whether their care is subsidized by the state, and what their household income is. The survey must also ask employees to describe challenges they face in accessing or paying for child care, and whether these challenges affect their career and earnings.

State employees have one month (September 1–30, 2019) to respond to the survey. The Department of Commerce must examine the surveys and submit a report to the Legislature that breaks down the qualitative data, analyzes the relationship between household income and child care choices, and summarizes the challenges that employees face in accessing and paying for child care and how those challenges affect employees' careers and earnings.

**Substitute Bill Compared to Original Bill:**

The substitute bill corrects the name of the shared leave pool and an incorrect cross-reference.

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**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, section 5, relating to establishing a pilot project for matching DCAP contributions, is null and void unless funded in the budget.

**Staff Summary of Public Testimony:**

(In support) This is one piece of a larger package of legislation relating to child care accessibility and affordability. Washington has the best quality child care in the country but not enough facilities or providers to meet the demand. The state needs to find creative ways to meet the demand in the market so every child has a safe place to be. Last year the Task Force started to look at care in the private sector, but what is the public sector going to do about this crisis? The goal of this bill is to hold the state of Washington accountable as the largest employer in the state. Also, there is not enough data about where children ages 0–5 are getting care and how it is being paid for. The survey piece of this bill would allow parents to tell the state what their critical, everyday child care needs are. When parents lack child care, they may need to be absent from work. The shared leave piece of this bill is consistent with how shared leave has been used in the past; it is entirely voluntary.

(Opposed) None.

**Persons Testifying:** Representative Reeves, prime sponsor; Amy Anderson, Association of Washington Business; and Dennis Eagle, Washington Federation of State Employees.

**Persons Signed In To Testify But Not Testifying:** None.