
SUBSTITUTE HOUSE BILL 2308

State of Washington

52nd Legislature

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By House Committee on Human Services (originally sponsored by Representatives H. Myers, Winsley, Fraser, Anderson, Bowman, Leonard, Belcher, Spanel, Riley, R. King, Miller, Brumsickle, Orr, O'Brien, Wang and Rasmussen; by request of Governor Gardner)

Read first time 01/27/92.

1 AN ACT Relating to state employee child care; amending RCW
2 41.04.370, 41.04.375, 41.04.380, 41.04.385, 43.88.160, and 74.13.090;
3 adding new sections to chapter 41.04 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.04 RCW
6 to read as follows:

7 In order to implement the state's child care policy established by
8 RCW 41.04.385, the director of personnel shall:

9 (1) Provide technical assistance to state agencies for addressing
10 employee child care needs;

11 (2) Conduct periodic needs assessments to determine the demand for
12 specific child care services and facilities by state employees and to
13 determine the availability and costs of child care services accessible
14 to employees within a surveyed community. In lieu of conducting new

1 needs assessments, the department may use similar assessments completed
2 by other organizations, provided that the assessments conform to
3 standards established by the department;

4 (3) Assist state employees with establishing nonprofit employee
5 organizations to contract for the provision of child care services;

6 (4) Develop, in consultation with the department of general
7 administration, model contracts for agencies to use when contracting
8 with nonprofit employee organizations to use state-owned or state-
9 leased buildings for child care services;

10 (5) Develop, in consultation with the departments of general
11 administration, social and health services, and the office of financial
12 management, model contracts and quality standards for nonprofit
13 employee organizations to use when contracting with child care
14 providers;

15 (6) Inform state employees of the child care and family services
16 available to them through state programs, policies, or merit system
17 rules;

18 (7) Assist state agencies and employees with developing
19 alternatives to state employee child care centers for meeting child
20 care needs;

21 (8) In consultation with the state employee child care advisory
22 committee, establish general policies for the distribution of state
23 employee child care facility grants by the department of social and
24 health services;

25 (9) Conduct research and develop pilot programs to measure changes
26 in employee productivity, recruitment, retention, and absenteeism,
27 associated with state-supported child care services; and

28 (10) Establish policies, subject to the approval of the director of
29 financial management, for the development of partnerships with private
30 employers for the provision of child care services.

1 The policies established under this section shall apply to all
2 state agencies subject to chapter 41.06 RCW that provide, or assist
3 with the provision of, child care services for state employees. The
4 cost of department of personnel services provided to agencies exempted
5 by RCW 41.06.070 from the provisions of chapter 41.06 RCW shall be
6 reimbursed in accordance with RCW 41.06.080.

7 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.04 RCW
8 to read as follows:

9 The director of personnel shall attempt to develop a program of
10 flexible child care and family policies and services so that state
11 employees may choose among those that best meet their needs.

12 NEW SECTION. **Sec. 3.** By June 30, 1993, the director of
13 personnel shall provide a plan for the development of a child care
14 program that includes objective, quantifiable, and measurable standards
15 and goals to be achieved. Such goals shall be established in
16 consultation with the state employee child care advisory committee.

17 The director shall report to the governor by September 1996
18 describing the results achieved through the child care program compared
19 to original performance standards and goals.

20 **Sec. 4.** RCW 41.04.370 and 1984 c 162 s 1 are each amended to read
21 as follows:

22 The legislature recognizes that ~~((on-site))~~ supporting child
23 ~~((day))~~ care for employees of public and private organizations is a
24 worthwhile pursuit. To further the goals of affordable, accessible,
25 and quality child care for working parents, the legislature intends to
26 ~~((establish a))~~ provide for the development of self-supporting child
27 care ~~((demonstration project))~~ programs for employees of state

1 government. (~~The legislature recognizes that appropriate child day~~
2 ~~care services may enhance productivity and lower absenteeism among~~
3 ~~state employees.~~)

4 **Sec. 5.** RCW 41.04.375 and 1984 c 162 s 2 are each amended to read
5 as follows:

6 Subsequent to the completion of needs assessments indicating a
7 demand for additional accessible center-based child care, and at the
8 request of the director of personnel, the department of general
9 administration shall identify ((an amount of)) the availability of
10 suitable space ((in state-owned or state-leased buildings in the
11 Olympia area)) for use as child ((day)) care centers for the children
12 of state employees.

13 If suitable space is identified in state-owned or state-leased
14 buildings, the department of general administration shall establish a
15 ((fair)) rental rate for ((the)) organizations to pay for the space
16 used by persons who are not state employees.

17 **Sec. 6.** RCW 41.04.380 and 1984 c 162 s 3 are each amended to read
18 as follows:

19 ~~((1))~~ After the department of personnel ((shall conduct)) has
20 conducted a needs assessment under section 1 of this act to determine
21 the need for and interest in child ((day)) care facilities for the
22 children of state employees;

23 ~~((2) The department of personnel shall determine the number of~~
24 ~~children which may participate in the demonstration project required~~
25 ~~under RCW 41.04.370 through 41.04.380; and~~

26 ~~(3) If the))~~ and the assessment has indicated a need for additional
27 child care services accessible to state employees; and suitable space
28 ((is)) has been determined to be available, the department of personnel

1 (~~shall~~) may assist state employees with establishing nonprofit
2 organizations in order to contract with one or more (~~organizations~~)
3 providers to operate child (~~day~~) care facilities (~~for the children~~
4 ~~identified under this section. Such facilities may be located in one~~
5 ~~or more buildings as identified under RCW 41.04.375~~)).

6 Subject to the approval of the director of financial management,
7 suitable space for child care centers may be provided to nonprofit
8 organizations of state employees without charge or at reduced charge
9 for rent or services solely for the purpose of reducing employee child
10 care costs.

11 NEW SECTION. Sec. 7. A new section is added to chapter 41.04 RCW
12 to read as follows:

13 In order to qualify for services under RCW 41.04.380, state
14 employee child care organizations shall be organized under chapter
15 24.03 RCW. Such organizations shall be subject to the policies
16 established under section 1 of this act when contracting for space in
17 state-owned or state-leased buildings.

18 **Sec. 8.** RCW 41.04.385 and 1986 c 135 s 1 are each amended to read
19 as follows:

20 The legislature finds that (1) demographic, economic, and social
21 trends underlie a critical and increasing demand for child (~~day~~) care
22 in the state of Washington; (2) working parents and their children
23 benefit when the employees' child care needs have been resolved;
24 (~~and~~) (3) the state of Washington should serve as a model employer by
25 creating a supportive atmosphere, to the extent feasible, in which its
26 employees may meet their child (~~day~~) care needs; and (4) the state of
27 Washington should encourage the development of partnerships between
28 state agencies, state employees, state employee labor organizations,

1 and private employers to expand the availability of affordable quality
2 child care. The legislature finds further that resolving employee
3 child ((day)) care concerns not only benefits the employees and their
4 children, but may benefit the employer by reducing absenteeism,
5 increasing employee productivity, improving morale, and enhancing the
6 employer's position in recruiting and retaining employees. Therefore,
7 the legislature declares that it is the policy of the state of
8 Washington to assist state employees by creating a supportive
9 atmosphere in which they may meet their child ((day)) care needs.

10 **Sec. 9.** RCW 43.88.160 and 1991 c 358 s 4 are each amended to read
11 as follows:

12 This section sets forth the major fiscal duties and
13 responsibilities of officers and agencies of the executive branch. The
14 regulations issued by the governor pursuant to this chapter shall
15 provide for a comprehensive, orderly basis for fiscal management and
16 control, including efficient accounting and reporting therefor, for the
17 executive branch of the state government and may include, in addition,
18 such requirements as will generally promote more efficient public
19 management in the state.

20 (1) Governor; director of financial management. The governor,
21 through the director of financial management, shall devise and
22 supervise a modern and complete accounting system for each agency to
23 the end that all revenues, expenditures, receipts, disbursements,
24 resources, and obligations of the state shall be properly and
25 systematically accounted for. The accounting system shall include the
26 development of accurate, timely records and reports of all financial
27 affairs of the state. The system shall also provide for central
28 accounts in the office of financial management at the level of detail
29 deemed necessary by the director to perform central financial

1 management. The director of financial management shall adopt and
2 periodically update an accounting procedures manual. Any agency
3 maintaining its own accounting and reporting system shall comply with
4 the updated accounting procedures manual and the rules of the director
5 adopted under this chapter. An agency may receive a waiver from
6 complying with this requirement if the waiver is approved by the
7 director. Waivers expire at the end of the fiscal biennium for which
8 they are granted. The director shall forward notice of waivers granted
9 to the appropriate legislative fiscal committees. The director of
10 financial management may require such financial, statistical, and other
11 reports as the director deems necessary from all agencies covering any
12 period.

13 (2) The director of financial management is responsible for
14 quarterly reporting of primary operating budget drivers such as
15 applicable workloads, caseload estimates, and appropriate unit cost
16 data. These reports shall be transmitted to the legislative fiscal
17 committees or by electronic means to the legislative evaluation and
18 accountability program committee. Quarterly reports shall include
19 actual monthly data and the variance between actual and estimated data
20 to date. The reports shall also include estimates of these items for
21 the remainder of the budget period.

22 (3) The director of financial management shall report at least
23 annually to the appropriate legislative committees regarding the status
24 of all appropriated capital projects, including transportation
25 projects, showing significant cost overruns or underruns. If funds are
26 shifted from one project to another, the office of financial management
27 shall also reflect this in the annual variance report. Once a project
28 is complete, the report shall provide a final summary showing estimated
29 start and completion dates of each project phase compared to actual
30 dates, estimated costs of each project phase compared to actual costs,

1 and whether or not there are any outstanding liabilities or unsettled
2 claims at the time of completion.

3 (4) In addition, the director of financial management, as agent of
4 the governor, shall:

5 (a) Make surveys and analyses of agencies with the object of
6 determining better methods and increased effectiveness in the use of
7 manpower and materials; and the director shall authorize expenditures
8 for employee training to the end that the state may benefit from
9 training facilities made available to state employees;

10 (b) Establish policies allowing state agencies to contract for
11 specialized child care services including resources and referral, sick
12 child care, and after-hour care;

13 (c) Report to the governor with regard to duplication of effort or
14 lack of coordination among agencies;

15 ~~((e))~~ (d) Review any pay and classification plans, and changes
16 thereunder, developed by any agency for their fiscal impact: PROVIDED,
17 That none of the provisions of this subsection shall affect merit
18 systems of personnel management now existing or hereafter established
19 by statute relating to the fixing of qualifications requirements for
20 recruitment, appointment, or promotion of employees of any agency. The
21 director shall advise and confer with agencies including appropriate
22 standing committees of the legislature as may be designated by the
23 speaker of the house and the president of the senate regarding the
24 fiscal impact of such plans and may amend or alter said plans, except
25 that for the following agencies no amendment or alteration of said
26 plans may be made without the approval of the agency concerned:
27 Agencies headed by elective officials;

28 ~~((d))~~ (e) Fix the number and classes of positions or authorized
29 man years of employment for each agency and during the fiscal period
30 amend the determinations previously fixed by the director except that

1 the director shall not be empowered to fix said number or said classes
2 for the following: Agencies headed by elective officials;

3 ~~((e))~~ (f) Provide for transfers and repayments between the budget
4 stabilization account and the general fund as directed by appropriation
5 and RCW 43.88.525 through 43.88.540;

6 ~~((f) Promulgate regulations)~~ (g) Adopt rules to effectuate
7 provisions contained in ~~((subsections))~~ (a) through ~~((e) hereof)~~ (f)
8 of this subsection.

9 (5) The treasurer shall:

10 (a) Receive, keep, and disburse all public funds of the state not
11 expressly required by law to be received, kept, and disbursed by some
12 other persons: PROVIDED, That this subsection shall not apply to those
13 public funds of the institutions of higher learning which are not
14 subject to appropriation;

15 (b) Disburse public funds under the treasurer's supervision or
16 custody by warrant or check;

17 (c) Keep a correct and current account of all moneys received and
18 disbursed by the treasurer, classified by fund or account;

19 (d) Perform such other duties as may be required by law or by
20 regulations issued pursuant to this law.

21 It shall be unlawful for the treasurer to issue any warrant or
22 check for public funds in the treasury except upon forms duly
23 prescribed by the director of financial management. Said forms shall
24 provide for authentication and certification by the agency head or the
25 agency head's designee that the services have been rendered or the
26 materials have been furnished; or, in the case of loans or grants, that
27 the loans or grants are authorized by law; or, in the case of payments
28 for periodic maintenance services to be performed on state owned
29 equipment, that a written contract for such periodic maintenance
30 services is currently in effect and copies thereof are on file with the

1 office of financial management; and the treasurer shall not be liable
2 under the treasurer's surety bond for erroneous or improper payments so
3 made: PROVIDED, That when services are lawfully paid for in advance of
4 full performance by any private individual or business entity other
5 than as provided for by RCW 42.24.035, such individual or entity other
6 than central stores rendering such services shall make a cash deposit
7 or furnish surety bond coverage to the state as shall be fixed in an
8 amount by law, or if not fixed by law, then in such amounts as shall be
9 fixed by the director of the department of general administration but
10 in no case shall such required cash deposit or surety bond be less than
11 an amount which will fully indemnify the state against any and all
12 losses on account of breach of promise to fully perform such services:
13 AND PROVIDED FURTHER, That no payments shall be made in advance for any
14 equipment maintenance services to be performed more than three months
15 after such payment. Any such bond so furnished shall be conditioned
16 that the person, firm or corporation receiving the advance payment will
17 apply it toward performance of the contract. The responsibility for
18 recovery of erroneous or improper payments made under this section
19 shall lie with the agency head or the agency head's designee in
20 accordance with regulations issued pursuant to this chapter. Nothing
21 in this section shall be construed to permit a public body to advance
22 funds to a private service provider pursuant to a grant or loan before
23 services have been rendered or material furnished.

24 (6) The state auditor shall:

25 (a) Report to the legislature the results of current post audits
26 that have been made of the financial transactions of each agency; to
27 this end the auditor may, in the auditor's discretion, examine the
28 books and accounts of any agency, official or employee charged with the
29 receipt, custody or safekeeping of public funds. The current post

1 audit of each agency may include a section on recommendations to the
2 legislature as provided in (c) of this subsection.

3 (b) Give information to the legislature, whenever required, upon
4 any subject relating to the financial affairs of the state.

5 (c) Make the auditor's official report on or before the thirty-
6 first of December which precedes the meeting of the legislature. The
7 report shall be for the last complete fiscal period and shall include
8 at least the following:

9 Determinations as to whether agencies, in making expenditures,
10 complied with the laws of this state: PROVIDED, That nothing in this
11 section may be construed to grant the state auditor the right to
12 perform performance audits. A performance audit for the purpose of
13 this section is the examination of the effectiveness of the
14 administration, its efficiency, and its adequacy in terms of the
15 programs of departments or agencies as previously approved by the
16 legislature. The authority and responsibility to conduct such an
17 examination shall be vested in the legislative budget committee as
18 prescribed in RCW 44.28.085.

19 (d) Be empowered to take exception to specific expenditures that
20 have been incurred by any agency or to take exception to other
21 practices related in any way to the agency's financial transactions and
22 to cause such exceptions to be made a matter of public record,
23 including disclosure to the agency concerned and to the director of
24 financial management. It shall be the duty of the director of
25 financial management to cause corrective action to be taken promptly,
26 such action to include, as appropriate, the withholding of funds as
27 provided in RCW 43.88.110.

28 (e) Promptly report any irregularities to the attorney general.

29 (7) The legislative budget committee may:

1 (a) Make post audits of the financial transactions of any agency
2 and management surveys and program reviews as provided for in RCW
3 44.28.085. To this end the committee may in its discretion examine the
4 books, accounts, and other records of any agency, official, or
5 employee.

6 (b) Give information to the legislature or any legislative
7 committee whenever required upon any subject relating to the
8 performance and management of state agencies.

9 (c) Make a report to the legislature which shall include at least
10 the following:

11 (i) Determinations as to the extent to which agencies in making
12 expenditures have complied with the will of the legislature and in this
13 connection, may take exception to specific expenditures or financial
14 practices of any agencies; and

15 (ii) Such plans as it deems expedient for the support of the
16 state's credit, for lessening expenditures, for promoting frugality and
17 economy in agency affairs and generally for an improved level of fiscal
18 management.

19 **Sec. 10.** RCW 74.13.090 and 1989 c 381 s 3 are each amended to read
20 as follows:

21 (1) There is established a child care coordinating committee to
22 provide coordination and communication between state agencies
23 responsible for child care and early childhood education services. The
24 child care coordinating committee shall be composed of not less than
25 seventeen nor more than thirty-three members who shall include:

26 (a) One representative each from the department of social and
27 health services, the department of community development, the office of
28 the superintendent of public instruction, and any other agency having

1 responsibility for regulation, provision, or funding of child care
2 services in the state;

3 (b) One representative from the department of labor and industries;

4 (c) One representative from the department of trade and economic
5 development;

6 (d) One representative from the department of revenue;

7 (e) One representative from the employment security department;

8 (f) One representative from the department of personnel;

9 (g) One representative from the department of health;

10 (h) At least one representative of family home child care providers
11 and one representative of center care providers;

12 ~~((g))~~ (i) At least one representative of early childhood
13 development experts;

14 ~~((h))~~ (j) At least one representative of school districts and
15 teachers involved in the provision of child care and preschool
16 programs;

17 ~~((i))~~ (k) At least one parent education specialist;

18 ~~((j))~~ (l) At least one representative of resource and referral
19 programs;

20 ~~((k))~~ (m) One pediatric or other health professional;

21 ~~((l))~~ (n) At least one representative of college or university
22 child care providers;

23 ~~((m))~~ (o) At least one representative of a citizen group
24 concerned with child care;

25 ~~((n))~~ (p) At least one representative of a labor organization;

26 ~~((o))~~ (q) At least one representative of a head start - early
27 childhood education assistance program agency;

28 ~~((p))~~ (r) At least one employer who provides child care
29 assistance to employees;

1 (~~(q)~~) (s) Parents of children receiving, or in need of, child
2 care, half of whom shall be parents needing or receiving subsidized
3 child care and half of whom shall be parents who are able to pay for
4 child care.

5 The named state agencies shall select their representative to the
6 child care coordinating committee. The department of social and health
7 services shall select the remaining members, considering
8 recommendations from lists submitted by professional associations and
9 other interest groups until such time as the committee adopts a member
10 selection process. The department shall use any federal funds which
11 may become available to accomplish the purposes of RCW 74.13.085
12 through 74.13.095.

13 The committee shall elect officers from among its membership and
14 shall adopt policies and procedures specifying the lengths of terms,
15 methods for filling vacancies, and other matters necessary to the
16 ongoing functioning of the committee. The secretary of social and
17 health services shall appoint a temporary chair until the committee has
18 adopted policies and elected a chair accordingly. Child care
19 coordinating committee members shall be reimbursed for travel expenses
20 as provided in RCW 43.03.050 and 43.03.060.

21 (2) To the extent possible within available funds, the child care
22 coordinating committee shall:

23 (a) Serve as an advisory coordinator for all state agencies
24 responsible for early childhood or child care programs for the purpose
25 of improving communication and interagency coordination;

26 (b) Annually review state programs and make recommendations to the
27 agencies and the legislature which will maximize funding and promote
28 furtherance of the policies set forth in RCW 74.13.085. Reports shall
29 be provided to all appropriate committees of the legislature by
30 December 1 of each year. At a minimum the committee shall:

1 (i) Review and propose changes to the child care subsidy system in
2 its December 1989 report; and

3 (ii) Review alternative models for child care service systems, in
4 the context of the policies set forth in RCW 74.13.085, and recommend
5 to the legislature a new child care service structure; ((and

6 ~~(iii) Review options and make recommendations on the feasibility of~~
7 ~~establishing an allocation for day care facilities when constructing~~
8 ~~state buildings;))~~

9 (c) Review department of social and health services administration
10 of the child care expansion grant program described in RCW 74.13.095;

11 (d) Review rules regarding child care facilities and services for
12 the purpose of identifying those which unnecessarily obstruct the
13 availability and affordability of child care in the state;

14 (e) Advise and assist the child care resource coordinator in
15 implementing his or her duties under RCW 74.13.0903; ((and))

16 (f) Establish a state employee child care advisory subcommittee to
17 (i) provide coordination among state agencies that assist employees
18 with child care services, advise the director of the department of
19 personnel regarding the development of child care programs, services,
20 and policies, and enhance communication among state agencies regarding
21 the state's child care services, programs, and policies; (ii) assist
22 the department of personnel in developing strategies for child care
23 partnerships between state agencies and private employers; (iii) advise
24 the department of personnel in establishing policies for the
25 distribution of state employee child care facility grants; and (iv)
26 assist the department of social and health services with the allocation
27 of such grants; and

28 (g) Perform other functions to improve the quantity and quality of
29 child care in the state, including compliance with existing and future
30 prerequisites for federal funding.