

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1778

53rd Legislature
1993 Regular Session

Passed by the House March 12, 1993
Yeas 73 Nays 25

**Speaker of the
House of Representatives**

Passed by the Senate April 12, 1993
Yeas 30 Nays 14

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1778** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1778

Passed Legislature - 1993 Regular Session

State of Washington

53rd Legislature

1993 Regular Session

By House Committee on Human Services (originally sponsored by Representatives Wolfe, Brown, Talcott, Leonard, Johanson, Kessler, Appelwick, Romero, Pruitt, H. Myers, Edmondson, Linville, Veloria, Anderson, Reams, Rust, Miller, Wang and J. Kohl)

Read first time 03/03/93.

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 and adding a new section to chapter 41.04 RCW.

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

5 **Sec. 1.** RCW 41.04.370 and 1984 c 162 s 1 are each amended to read
6 as follows:

7 The legislature recognizes that ~~((on-site))~~ supporting child
8 ~~((day))~~ care for employees of public and private organizations is a
9 worthwhile pursuit. To further the goals of affordable, accessible,
10 and quality child care for working parents, the legislature intends to
11 ~~((establish a))~~ provide for the development of self-supporting child
12 care ~~((demonstration project))~~ programs for employees of state
13 government. ~~((The legislature recognizes that appropriate child day
14 care services may enhance productivity and lower absenteeism among
15 state employees.))~~

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

1 An agency may identify space they wish to use for child care
2 facilities or they may request assistance from the department of
3 general administration ((shall identify an amount of)) in identifying
4 the availability of suitable space in state-owned or state-leased
5 buildings ((in the Olympia area)) for use as child ((day)) care centers
6 for the children of state employees.

7 When suitable space is identified in state-owned or state-leased
8 buildings, the department of general administration shall establish a
9 ((fair)) rental rate for ((the)) organizations to pay for the space
10 used by persons who are not state employees.

11 **Sec. 3.** RCW 41.04.380 and 1984 c 162 s 3 are each amended to read
12 as follows:

13 ~~((1) The department of personnel shall conduct a needs assessment~~
14 ~~to determine the need for and interest in child day care facilities for~~
15 ~~the children of state employees;~~

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

19 ~~(3) If the))~~ When suitable space is determined to be available,
20 ((the department of personnel shall)) either agencies or organizations
21 of state employees may contract with one or more ((organizations))
22 providers to operate child ((day)) care facilities ((for the children
23 identified under this section. Such facilities may be located in one
24 or more buildings as identified under RCW 41.04.375)).

25 Subject to the approval of the director of financial management,
26 suitable space for child care centers may be provided to organizations
27 of state employees without charge or at reduced charge for rent or
28 services solely for the purpose of reducing employee child care costs.

29 NEW SECTION. **Sec. 4.** A new section is added to chapter 41.04 RCW
30 to read as follows:

31 In order to qualify for services under RCW 41.04.380, state
32 employee child care organizations shall be organized as nonprofit under
33 chapter 24.03 RCW.

34 **Sec. 5.** RCW 41.04.385 and 1986 c 135 s 1 are each amended to read
35 as follows:

1 The legislature finds that (1) demographic, economic, and social
2 trends underlie a critical and increasing demand for child ((day)) care
3 in the state of Washington; (2) working parents and their children
4 benefit when the employees' child care needs have been resolved;
5 ((and)) (3) the state of Washington should serve as a model employer by
6 creating a supportive atmosphere, to the extent feasible, in which its
7 employees may meet their child ((day)) care needs; and (4) the state of
8 Washington should encourage the development of partnerships between
9 state agencies, state employees, state employee labor organizations,
10 and private employers to expand the availability of affordable quality
11 child care. The legislature finds further that resolving employee
12 child ((day)) care concerns not only benefits the employees and their
13 children, but may benefit the employer by reducing absenteeism,
14 increasing employee productivity, improving morale, and enhancing the
15 employer's position in recruiting and retaining employees. Therefore,
16 the legislature declares that it is the policy of the state of
17 Washington to assist state employees by creating a supportive
18 atmosphere in which they may meet their child ((day)) care needs.
19 Policies and procedures for state agencies to address employee child
20 care needs will be the responsibility of the director of personnel in
21 consultation with the child care coordinating committee, as provided in
22 RCW 74.13.090 and state employee representatives as provided under RCW
23 41.06.140.

24 **Sec. 6.** RCW 43.88.160 and 1992 c 118 s 8 are each amended to read
25 as follows:

26 This section sets forth the major fiscal duties and
27 responsibilities of officers and agencies of the executive branch. The
28 regulations issued by the governor pursuant to this chapter shall
29 provide for a comprehensive, orderly basis for fiscal management and
30 control, including efficient accounting and reporting therefor, for the
31 executive branch of the state government and may include, in addition,
32 such requirements as will generally promote more efficient public
33 management in the state.

34 (1) Governor; director of financial management. The governor,
35 through the director of financial management, shall devise and
36 supervise a modern and complete accounting system for each agency to
37 the end that all revenues, expenditures, receipts, disbursements,
38 resources, and obligations of the state shall be properly and

1 systematically accounted for. The accounting system shall include the
2 development of accurate, timely records and reports of all financial
3 affairs of the state. The system shall also provide for central
4 accounts in the office of financial management at the level of detail
5 deemed necessary by the director to perform central financial
6 management. The director of financial management shall adopt and
7 periodically update an accounting procedures manual. Any agency
8 maintaining its own accounting and reporting system shall comply with
9 the updated accounting procedures manual and the rules of the director
10 adopted under this chapter. An agency may receive a waiver from
11 complying with this requirement if the waiver is approved by the
12 director. Waivers expire at the end of the fiscal biennium for which
13 they are granted. The director shall forward notice of waivers granted
14 to the appropriate legislative fiscal committees. The director of
15 financial management may require such financial, statistical, and other
16 reports as the director deems necessary from all agencies covering any
17 period.

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

27 (3) The director of financial management shall report at least
28 annually to the appropriate legislative committees regarding the status
29 of all appropriated capital projects, including transportation
30 projects, showing significant cost overruns or underruns. If funds are
31 shifted from one project to another, the office of financial management
32 shall also reflect this in the annual variance report. Once a project
33 is complete, the report shall provide a final summary showing estimated
34 start and completion dates of each project phase compared to actual
35 dates, estimated costs of each project phase compared to actual costs,
36 and whether or not there are any outstanding liabilities or unsettled
37 claims at the time of completion.

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

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

6 (b) Establish policies for allowing the contracting of child care
7 services;

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

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

23 ((+d)) (e) Fix the number and classes of positions or authorized
24 man years of employment for each agency and during the fiscal period
25 amend the determinations previously fixed by the director except that
26 the director shall not be empowered to fix said number or said classes
27 for the following: Agencies headed by elective officials;

28 ((+e)) (f) Provide for transfers and repayments between the budget
29 stabilization account and the general fund as directed by appropriation
30 and RCW 43.88.525 through 43.88.540;

31 ((+f) ~~Promulgate regulations~~) (g) Adopt rules to effectuate
32 provisions contained in (a) through ((+e)) (f) of this subsection.

33 (5) The treasurer shall:

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

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

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

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

7 It shall be unlawful for the treasurer to issue any warrant or
8 check for public funds in the treasury except upon forms duly
9 prescribed by the director of financial management. Said forms shall
10 provide for authentication and certification by the agency head or the
11 agency head's designee that the services have been rendered or the
12 materials have been furnished; or, in the case of loans or grants, that
13 the loans or grants are authorized by law; or, in the case of payments
14 for periodic maintenance services to be performed on state owned
15 equipment, that a written contract for such periodic maintenance
16 services is currently in effect and copies thereof are on file with the
17 office of financial management; and the treasurer shall not be liable
18 under the treasurer's surety bond for erroneous or improper payments so
19 made(~~(:—PROVIDED, That)~~). When services are lawfully paid for in
20 advance of full performance by any private individual or business
21 entity other than as provided for by RCW 42.24.035, such individual or
22 entity other than central stores rendering such services shall make a
23 cash deposit or furnish surety bond coverage to the state as shall be
24 fixed in an amount by law, or if not fixed by law, then in such amounts
25 as shall be fixed by the director of the department of general
26 administration but in no case shall such required cash deposit or
27 surety bond be less than an amount which will fully indemnify the state
28 against any and all losses on account of breach of promise to fully
29 perform such services(~~(:—AND PROVIDED FURTHER, That)~~). No payments
30 shall be made in advance for any equipment maintenance services to be
31 performed more than three months after such payment. Any such bond so
32 furnished shall be conditioned that the person, firm or corporation
33 receiving the advance payment will apply it toward performance of the
34 contract. The responsibility for recovery of erroneous or improper
35 payments made under this section shall lie with the agency head or the
36 agency head's designee in accordance with regulations issued pursuant
37 to this chapter. Nothing in this section shall be construed to permit
38 a public body to advance funds to a private service provider pursuant

1 to a grant or loan before services have been rendered or material
2 furnished.

3 (6) The state auditor shall:

4 (a) Report to the legislature the results of current post audits
5 that have been made of the financial transactions of each agency; to
6 this end the auditor may, in the auditor's discretion, examine the
7 books and accounts of any agency, official or employee charged with the
8 receipt, custody or safekeeping of public funds. The current post
9 audit of each agency may include a section on recommendations to the
10 legislature as provided in (c) of this subsection.

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

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

17 Determinations as to whether agencies, in making expenditures,
18 complied with the laws of this state(~~(:—PROVIDED, That)~~). Nothing in
19 this section may be construed to grant the state auditor the right to
20 perform performance audits. A performance audit for the purpose of
21 this section is the examination of the effectiveness of the
22 administration, its efficiency, and its adequacy in terms of the
23 programs of departments or agencies as previously approved by the
24 legislature. The authority and responsibility to conduct such an
25 examination shall be vested in the legislative budget committee as
26 prescribed in RCW 44.28.085.

27 (d) Be empowered to take exception to specific expenditures that
28 have been incurred by any agency or to take exception to other
29 practices related in any way to the agency's financial transactions and
30 to cause such exceptions to be made a matter of public record,
31 including disclosure to the agency concerned and to the director of
32 financial management. It shall be the duty of the director of
33 financial management to cause corrective action to be taken promptly,
34 such action to include, as appropriate, the withholding of funds as
35 provided in RCW 43.88.110.

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

37 (f) Investigate improper governmental activity under chapter 42.40
38 RCW.

39 (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. 7.** 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
29 responsibility for regulation, provision, or funding of child care
30 services in the state;

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

32 (c) One representative from the department of trade and economic
33 development;

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

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

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

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

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

3 ~~((g))~~ (i) At least one representative of early childhood
4 development experts;

5 ~~((h))~~ (j) At least one representative of school districts and
6 teachers involved in the provision of child care and preschool
7 programs;

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

9 ~~((j))~~ (l) At least one representative of resource and referral
10 programs;

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

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

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

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

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

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

21 ~~((q))~~ (s) Parents of children receiving, or in need of, child
22 care, half of whom shall be parents needing or receiving subsidized
23 child care and half of whom shall be parents who are able to pay for
24 child care.

25 The named state agencies shall select their representative to the
26 child care coordinating committee. The department of social and health
27 services shall select the remaining members, considering
28 recommendations from lists submitted by professional associations and
29 other interest groups until such time as the committee adopts a member
30 selection process. The department shall use any federal funds which
31 may become available to accomplish the purposes of RCW 74.13.085
32 through 74.13.095.

33 The committee shall elect officers from among its membership and
34 shall adopt policies and procedures specifying the lengths of terms,
35 methods for filling vacancies, and other matters necessary to the
36 ongoing functioning of the committee. The secretary of social and
37 health services shall appoint a temporary chair until the committee has
38 adopted policies and elected a chair accordingly. Child care

1 coordinating committee members shall be reimbursed for travel expenses
2 as provided in RCW 43.03.050 and 43.03.060.

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

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

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

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

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

18 (iii) Review options and make recommendations on the feasibility of
19 establishing an allocation for day care facilities when constructing
20 state buildings;

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

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

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

28 (f) 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; and

31 (g) Advise and assist the department of personnel in its
32 responsibility for establishing policies and procedures that provide
33 for the development of quality child care programs for state employees.

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