
SECOND SUBSTITUTE HOUSE BILL 1344

State of Washington

66th Legislature

2019 Regular Session

By House Appropriations (originally sponsored by Representatives Reeves, Ryu, Sells, Valdez, Goodman, Robinson, Shewmake, Stonier, Macri, Kilduff, Leavitt, and Pollet)

READ FIRST TIME 03/01/19.

1 AN ACT Relating to establishing the Washington child care access
2 now act; amending 2018 c 91 s 1 (uncodified); adding new sections to
3 chapter 43.330 RCW; creating new sections; and providing expiration
4 dates.

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

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

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

1 (3) The legislature recognizes that expanding access to quality
2 child care requires preparing the market of child care providers to
3 meet existing and expanded demand. The legislature finds that the
4 market of child care providers is shrinking, that child care deserts
5 are expanding, and that fewer providers are offering services to
6 working connections child care subsidy recipients. The legislature
7 additionally finds that child care providers are unable to recruit
8 and retain a qualified workforce; that wages in the industry remain
9 among the lowest of all professions, at or near minimum wage; and
10 that the relationship between a child and a qualified caregiver is of
11 paramount importance to parents and, according to a rapidly
12 accumulating body of brain science, is foundational to supporting
13 healthy development.

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

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

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

24 (1)(a) The department shall enter into one or more contracts for
25 the development of a regional assessment of the child care industry
26 in Washington in order to better understand issues affecting child
27 care access and affordability for families.

28 (b) The department shall conduct one or more competitive
29 solicitations in accordance with chapter 39.26 RCW to select a third-
30 party entity or entities to conduct the industry assessment in
31 partnership with a statewide organization representing parents. The
32 third-party entity or entities selected by the department through the
33 competitive process must have experience in national industry
34 assessment and expertise in conducting facilities' needs assessments.
35 The statewide organization representing parents must have experience
36 conducting parent listening tours.

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

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

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

22 (i) Number of children receiving state subsidized care;

23 (ii) Number of children receiving exclusively private pay care;

24 (iii) Number of providers who are accepting state subsidy and,
25 for providers who are not accepting subsidy, reasons why not;

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

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

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

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

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

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

3 (f) Include, to the extent possible, an analysis of the
4 industry's quantitative or qualitative contribution to the state's
5 economy, including:

6 (i) Employment and wage information for self-employed licensed
7 child care providers and the employees of licensed child care
8 providers, including information about providers accessing public
9 assistance;

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

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

14 (iv) Direct and indirect effects on labor participation,
15 workplace productivity, and household earnings of working parents who
16 use child care. The analysis must include information related to the
17 workplace productivity of workers using employer-supported child
18 care; and

19 (g) Include a facilities needs assessment to determine the type
20 and number of child care facilities necessary to address unmet
21 capacity needs for high quality child care programs such as the early
22 childhood education and assistance program, headstart, working
23 connections child care, and early head start. The needs assessment
24 must include zip code level analysis to identify geographic areas
25 with concentrated barriers to access.

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

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

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

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

33 **Sec. 3.** 2018 c 91 s 1 (uncodified) is amended to read as
34 follows:

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

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

1 (b) Develop policy recommendations pursuant to section 5 of this
2 act. (~~The director of the department of commerce or his or her~~
3 ~~designee must convene the first meeting of the task force by~~
4 ~~September 1, 2018.~~)

5 (2) The task force shall develop policies and recommendations to
6 incentivize employer-supported child care and improve child care
7 access and affordability for employees. To accomplish its duties, the
8 task force shall evaluate current available data including, but not
9 limited to:

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

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

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

16 (d) The industry assessment conducted pursuant to section 2 of
17 this act.

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

20 (a) Five representatives of private business, including: One
21 representative of a small business; one representative of a medium-
22 sized business; one representative of a large business; and two
23 chamber of commerce representatives, one located east of the crest of
24 the Cascade mountains and one located west of the crest of the
25 Cascade mountains;

26 (b) One representative from a union representing child care
27 providers;

28 (c) One representative from the statewide child care resource and
29 referral network;

30 (d) One representative of an organization representing the
31 interests of licensed child day care centers;

32 (e) One representative of a statewide nonprofit organization
33 comprised of senior executives of major private sector employers;

34 (f) One representative of a nongovernmental private-public
35 partnership supporting home visiting service delivery;

36 (g) One representative of a federally recognized tribe; and

37 (h) One representative from an association representing business
38 interests.

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

4 (a) The department of commerce;

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

8 (c) The employment security department;

9 (d) The department of revenue;

10 (e) The department of social and health services; and

11 (f) The office of the governor.

12 (5) The president of the senate shall appoint one member to the
13 task force from each of the two largest caucuses of the senate to
14 serve as nonvoting members of the task force.

15 (6) The speaker of the house of representatives shall appoint one
16 member to the task force from each of the two largest caucuses in the
17 house of representatives to serve as nonvoting members of the task
18 force.

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

20 (a) Three representatives from the child care industry. At least
21 one of the child care industry representatives must be a provider
22 from a rural community. The three representatives must include: One
23 licensed child day care center provider; one licensed family day care
24 provider; and one representative of family, friend, and neighbor
25 child care providers;

26 (b) Two representatives of economic development organizations,
27 one located east of the crest of the Cascade mountains and one
28 located west of the crest of the Cascade mountains;

29 (c) (~~Four representatives of~~) One representative from each of
30 the following: An advocacy organization(~~(s)~~) representing parents, an
31 early learning advocacy organization, a foster care youth advocacy
32 organization, and an organization representing expanded learning
33 opportunity interests;

34 (d) One representative from an association representing statewide
35 transit interests;

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

38 (f) One representative of a nonprofit organization providing
39 training and professional development for family day care providers
40 and family, friend, and neighbor child care providers;

1 (g) One private school provider representing the Washington
2 federation of independent schools;

3 (h) One representative of a statewide grassroots advocacy
4 organization representing the interests of parents;

5 (i) One representative from the child care workforce development
6 technical work group established in chapter 1, Laws of 2017 3rd sp.
7 sess.;

8 (j) An early learning policy expert;

9 (k) One representative of a nonprofit public policy center
10 focused on economic opportunity; and

11 (l) One representative of an organization of early learning
12 providers focused on preserving languages and culture by serving
13 immigrant and refugee communities.

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

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

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

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

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

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

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

36 (i) Employer-supported child care by public and private
37 employers; and

38 (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. 4.** (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. 5.** 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. 6.** (1) By January 1, 2025, the department of
10 children, youth, and families must use the child care cost model
11 developed under section 5 of this act to determine child care subsidy
12 rates.

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

14 NEW SECTION. **Sec. 7.** Section 3 of this act is added to chapter
15 43.330 RCW.

16 NEW SECTION. **Sec. 8.** This act may be known and cited as the
17 Washington child care access now act.

18 NEW SECTION. **Sec. 9.** 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.

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