

CERTIFICATION OF ENROLLMENT
SECOND SUBSTITUTE HOUSE BILL 1344

Chapter 368, Laws of 2019

66th Legislature
2019 Regular Session

CHILD CARE ACCESS

EFFECTIVE DATE: July 28, 2019

Passed by the House April 18, 2019
Yeas 75 Nays 19

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 12, 2019
Yeas 25 Nays 20

CYRUS HABIB

President of the Senate

Approved May 13, 2019 3:44 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE HOUSE BILL 1344** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

May 16, 2019

**Secretary of State
State of Washington**

SECOND SUBSTITUTE HOUSE BILL 1344

AS AMENDED BY THE SENATE

Passed Legislature - 2019 Regular Session

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; adding a new section to chapter 43.41 RCW;
4 creating new sections; and providing expiration 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. The department shall
28 collaborate with the office of innovation, alignment, and
29 accountability within the department of children, youth, and families
30 to ensure efficient use of available data and rigorous research
31 methods and to assist with interpretation of data and report
32 preparation.

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

1 The statewide organization representing parents must have experience
2 conducting parent listening tours.

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

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

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

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

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

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

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

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

- 1 (b) Define and describe the characteristics of the informal child
2 care market, including estimates of the children served in this
3 market by age group;
- 4 (c) Identify family child care choices by family income bracket;
- 5 (d) Include a visual representation of child care supply and
6 demand by region that identifies areas with the highest need related
7 to child care accessibility and affordability;
- 8 (e) Identify trends in the relationship between private pay rates
9 and subsidy rates for child care providers;
- 10 (f) Include, to the extent possible, an analysis of the
11 industry's quantitative or qualitative contribution to the state's
12 economy, including:
- 13 (i) Employment and wage information for self-employed licensed
14 child care providers and the employees of licensed child care
15 providers, including information about providers accessing public
16 assistance;
- 17 (ii) Workforce pipeline data for early learning professions;
- 18 (iii) The estimated costs to the state economy of child care
19 inaccessibility, including lost economic activity and reduced tax
20 revenue; and
- 21 (iv) Direct and indirect effects on labor participation,
22 workplace productivity, and household earnings of working parents who
23 use child care. The analysis must include information related to the
24 workplace productivity of workers using employer-supported child
25 care; and
- 26 (g) Include a facilities needs assessment to determine the type
27 and number of child care facilities necessary to address unmet
28 capacity needs for high quality child care programs such as the early
29 childhood education and assistance program, headstart, working
30 connections child care, and early head start. The needs assessment
31 must include zip code level analysis to identify geographic areas
32 with concentrated barriers to access.
- 33 (3) For the purposes of this section, "employer-supported child
34 care" means:
- 35 (a) A licensed child care center operated at or near the
36 workplace by an employer for the benefit of employees; or
- 37 (b) Financial assistance provided by an employer for licensed
38 child care expenses incurred by an employee.
- 39 (4) This section expires December 31, 2020.

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

3 (1) The office of financial management, within existing
4 resources, in partnership with the department of commerce, the office
5 of innovation, alignment, and accountability within the department of
6 children, youth, and families, and the health care authority, shall
7 develop a survey for state executive branch agency employees in order
8 to better understand issues affecting child care access and
9 affordability for state employees' families.

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

11 (a) Identify the number of children age twelve and under of state
12 employees who are receiving care from child care or early learning
13 providers. The survey must allow employees to differentiate, to the
14 extent possible, the type of child care or early learning provider
15 serving the family, including:

16 (i) Licensed and certified child care centers and family homes;

17 (ii) License-exempt providers who care for children for four
18 hours or less per day;

19 (iii) Family, friend, and neighbor caregivers;

20 (iv) Nannies and au pairs;

21 (v) Religious organizations providing care;

22 (vi) Entities providing before-and-after school care;

23 (vii) Employer-supported child care; and

24 (viii) Other formal and informal networks of care;

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

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

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

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

33 (4) The department of commerce, in collaboration with the office
34 of financial management and the office of innovation, alignment, and
35 accountability within the department of children, youth, and
36 families, shall analyze this data and report as part of the larger
37 industry analysis described in section 2 of this act. In addition to
38 the information required under section 2 of this act, the report must
39 also include:

40 (a) A breakdown of:

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

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

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

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

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

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

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

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

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

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

23 (2) The task force shall develop policies and recommendations to
24 incentivize employer-supported child care and improve child care
25 access and affordability for employees. To accomplish its duties, the
26 task force shall evaluate current available data including, but not
27 limited to:

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

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

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

34 (d) The industry assessment conducted pursuant to section 2 of
35 this act.

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

38 (~~Five representatives of private business, including: One~~
39 ~~representative of a small business; one representative of a medium-~~

1 ~~sized business; one representative of a large business; and two~~
2 ~~chamber of commerce representatives, one located east of the crest of~~
3 ~~the Cascade mountains and one located west of the crest of the~~
4 ~~Cascade mountains;~~

5 ~~(b))~~ One representative from a union representing child care
6 providers;

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

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

11 ~~((e))~~ (d) One representative of a statewide nonprofit
12 organization comprised of senior executives of major private sector
13 employers;

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

16 ~~((g))~~ (f) One representative of a federally recognized tribe;
17 and

18 ~~((h))~~ (g) One representative from an association representing
19 business interests.

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

23 (a) The department of commerce;

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

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

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

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

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

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

34 (6) The speaker of the house of representatives shall appoint one
35 member to the task force from each of the two largest caucuses in the
36 house of representatives to serve as ~~((nonvoting))~~ voting members of
37 the task force.

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

39 (a) Three representatives from the child care industry. At least
40 one of the child care industry representatives must be a provider

1 from a rural community. The three representatives must include: One
2 licensed child day care center provider; one licensed family day care
3 provider; and one representative of family, friend, and neighbor
4 child care providers;

5 ~~(b) ((Two representatives of economic development organizations,~~
6 ~~one located east of the crest of the Cascade mountains and one~~
7 ~~located west of the crest of the Cascade mountains;~~

8 ~~(c) Four representatives of)~~ One representative from each of the
9 following: An advocacy organization((s)) representing parents, an
10 early learning advocacy organization, a foster care youth advocacy
11 organization, and an organization representing expanded learning
12 opportunity interests;

13 ~~((d) One representative from an association representing~~
14 ~~statewide transit interests;~~

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

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

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

22 (d) An early learning policy expert; and

23 (e) One representative of an organization of early learning
24 providers focused on preserving languages and culture by serving
25 immigrant and refugee communities.

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

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

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

34 (11) Legislative members of the task force shall be reimbursed
35 for travel expenses in accordance with RCW 44.04.120. Nonlegislative
36 members shall be reimbursed for travel expenses in accordance with
37 chapter 43.03 RCW.

38 (12) Licensed family home child care providers and child care
39 center providers serving as members of the task force must be
40 reimbursed for the cost of hiring a substitute for times the provider

1 is away from the child care businesses for official task force travel
2 and meetings.

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

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

8 (i) Employer-supported child care by public and private
9 employers; and

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

11 (b) Opportunities for streamlining permitting and licensing
12 requirements to facilitate the development and construction of child
13 care facilities;

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

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

18 (e) Policy recommendations that address racial, ethnic, and
19 geographic disparity and disproportionality in service delivery and
20 accessibility to services for families.

21 ~~((13))~~ (14) For the purposes of this section:

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

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

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

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

29 ~~((14))~~ (15) This section expires ~~((December 30, 2019))~~ July 1,
30 2021.

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

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

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

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

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

5 (A) Regional differences;

6 (B) Employee salaries and benefits;

7 (C) Enrollment levels;

8 (D) Facility costs; and

9 (E) Costs associated with compliance with statutory and
10 regulatory requirements, including quality rating system
11 participation and identify specific costs associated with each level
12 of the rating system and any quality indicators utilized.

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

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

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

23 (c) Evaluate recommendations from the department of children,
24 youth, and families' technical work group on compensation, including
25 consideration of pay scale changes, to achieve pay parity with K-12
26 teachers by January 1, 2025. When considering implementation of the
27 technical work group recommendations, the task force shall further
28 develop policy recommendations for the department of children, youth,
29 and families that:

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

33 (ii) Include a salary floor that supports recruitment and
34 retention of a qualified workforce in every early learning setting,
35 determined by an analysis of fields that compete to recruit workers
36 with comparable skills, competencies, and experience of early
37 childhood educators;

38 (iii) Index salaries for providers against the salary for a
39 typical preschool lead teacher, differentiating base compensation for
40 varying levels of responsibility within the early childhood workplace

1 including consideration of center directors, assistant directors,
2 lead teachers, assistant teachers, paraprofessionals, family child
3 care owners, and family home assistants;

4 (iv) Incentivize advancements in relevant higher education
5 credentials and credential equivalencies, training, and years of
6 experience, by increasing compensation for each of these, including
7 early learning certificates, associate degrees, bachelor's degrees,
8 master's degrees, and doctoral degrees;

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

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

14 (vii) Differentiate subsidy rates by region; and

15 (viii) Provide additional targeted investments for providers
16 serving a high proportion of working connections child care families,
17 providers demonstrating additional linguistic or cultural competency,
18 and providers serving populations furthest from opportunity,
19 including:

20 (A) Families enrolled in the early childhood education and
21 assistance program;

22 (B) Underserved geographic communities;

23 (C) Underserved ethnic or linguistic communities;

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

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

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

32 (i) Increasing program income eligibility to three hundred
33 percent of the federal poverty level or eighty-five percent of the
34 state median income;

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

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

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

6 (v) Eliminating the fiscal cap on working connections child care
7 enrollment; and

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

11 (2) By December 1, 2020, the task force must submit its findings
12 and required implementation plan pursuant to subsection (1)(a)
13 through (d) of this section to the governor and the appropriate
14 committees of the legislature. By June 1, 2021, the task force must
15 submit the strategy, timeline, and implementation plan required by
16 subsection (1)(e) of this section to the governor and the appropriate
17 committees of the legislature.

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

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

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

24 NEW SECTION. **Sec. 8.** Section 4 of this act is added to chapter
25 43.330 RCW.

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

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

Passed by the House April 18, 2019.
Passed by the Senate April 12, 2019.
Approved by the Governor May 13, 2019.
Filed in Office of Secretary of State May 16, 2019.

--- END ---