
SECOND SUBSTITUTE SENATE BILL 5237

State of Washington

67th Legislature

2021 Regular Session

By Senate Ways & Means (originally sponsored by Senators Wilson, C., Dhingra, Das, Billig, Conway, Darneille, Hasegawa, Hunt, Keiser, Kuderer, Liias, Lovelett, Nguyen, Nobles, Pedersen, Saldaña, and Salomon)

READ FIRST TIME 02/22/21.

1 AN ACT Relating to expanding accessible, affordable child care
2 and early childhood development programs; amending RCW 43.216.075,
3 43.216.136, 43.216.505, 43.216.512, 43.216.556, 43.216.749,
4 43.216.090, 43.216.578, 43.216.710, 43.216.514, and 43.216.136;
5 reenacting and amending RCW 43.216.010, 28B.50.248, 43.84.092,
6 43.84.092, and 43.84.092; adding new sections to chapter 43.216 RCW;
7 adding a new section to chapter 43.330 RCW; creating new sections;
8 repealing RCW 43.216.1365; providing effective dates; providing
9 expiration dates; and declaring an emergency.

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

11 NEW SECTION. **Sec. 1.** SHORT TITLE. This act may be known and
12 cited as the fair start for kids act.

13 NEW SECTION. **Sec. 2.** INTENT. (1) The legislature finds that
14 high quality child care and early learning is critical to a child's
15 success in school and life. The legislature recognizes that COVID-19
16 has devastated the existing child care industry, making it unduly
17 burdensome for families to find care. The legislature recognizes that
18 without immediate action to support child care providers, and without
19 expanded access to affordable child care, especially infant and
20 school-age care, parents will not be able to return to work while

1 children lose valuable learning opportunities. In order to bolster a
2 full economic recovery, the legislature finds that every child
3 deserves a fair start.

4 (2) The legislature finds that access to affordable child care
5 increases economic growth and labor force participation. The
6 legislature further finds that an affordable, accessible system of
7 high quality child care is necessary to the health of Washington's
8 economy because employers benefit when parents have safe, stable, and
9 appropriate care for their children. The legislature recognizes that
10 too many working parents are forced to reduce their hours, decline
11 promotional opportunities, or leave the workforce completely due to a
12 lack of affordable and appropriate child care. The legislature finds
13 that a report commissioned by the department of commerce in 2019
14 found that working parents in Washington forego \$14,000,000,000 each
15 year directly due to child care scarcity. The legislature recognizes
16 that this disproportionately impacts women in the workforce and that
17 in September 2020 alone, 78,000 men left the workforce, compared to
18 600,000 women.

19 (3) The legislature finds that the scarcity of child care,
20 exacerbated by COVID-19, most significantly impacts families furthest
21 from opportunity. The legislature recognizes that there are
22 additional barriers to accessing this foundational support for
23 immigrant communities and families whose first language is not
24 English, families who have children with disabilities, rural
25 communities, or other child care deserts. The legislature recognizes
26 that high quality, inclusive child care and early learning programs
27 have been shown to reduce the opportunity gap for low-income children
28 and black, indigenous, and children of color while consistently
29 improving outcomes for all children both inside and outside of the
30 classroom.

31 (4) The legislature finds that without access to comprehensive,
32 high quality prenatal to five services, children often enter
33 kindergarten without the social-emotional, physical, cognitive, and
34 language skills they need to be successful and fall behind their
35 peers, facing compounding developmental challenges throughout their
36 K-12 education. The legislature finds that cascading impacts of
37 inaccessible child care and early learning programs create systemic
38 barriers for children and their families that result in higher
39 special education needs, greater likelihood of needing to repeat
40 grades, increased child welfare and juvenile justice involvement,

1 reduced high school graduation rates, limited postsecondary education
2 attainment, and greater barriers to employment in adulthood.

3 (5) The legislature finds the vast majority of child care
4 providers are small businesses and nonprofit organizations. In
5 addition to adhering to federal, state, and local regulations to
6 ensure healthy and safe environments for children, the legislature
7 recognizes that child care providers must ensure their employees are
8 adequately compensated and supported. However, the legislature
9 acknowledges that the reduced staffing ratios for health and safety,
10 additional cost of personal protective equipment and extra cleaning
11 supplies, increased use of substitutes needed during COVID-19-related
12 absences, and increased technology demands during school closures
13 from the pandemic are further straining the viability of the child
14 care business model in Washington state.

15 (6) The legislature finds that the health and stability of the
16 early learning workforce is pivotal to any expansion of child care in
17 Washington state. The legislature recognizes that the child care
18 workforce, predominantly comprised of women of color, is structurally
19 afflicted by low wages, limited or no health care, and a severe lack
20 of retirement benefits. The legislature further recognizes that the
21 threat of COVID-19 compounds these underlying issues, forcing
22 providers to navigate increased stress, anxiety, and behavioral
23 issues all while risking their lives to care for children. The
24 legislature recognizes that families, friends, and neighbors who
25 provide care are a critical component of the child care system. The
26 legislature finds that child care workers are essential and deserve
27 to be compensated and benefited accordingly.

28 (7) Therefore, the legislature resolves to respond to the
29 COVID-19 crisis by first stabilizing the child care industry and then
30 expanding access to a comprehensive continuum of high quality early
31 childhood development programs, including infant and school-age child
32 care, preschool, parent and family supports, and prenatal to three
33 services. The legislature recognizes this continuum as critical to
34 meeting different families' needs and offering every child in
35 Washington access to a fair start.

36 (8) The legislature recognizes the strengths that multilingual,
37 diverse early learning providers and caregivers contribute to early
38 learning across the state. Therefore, the legislature intends to
39 expand language access services to create an inclusive early learning
40 system that specifically supports underserved providers.

1 (9) The legislature intends to expand eligibility for existing
2 child care and preschool programs to increase access. The legislature
3 recognizes that expansion must be accompanied by an investment to
4 make child care more affordable. Therefore, the legislature intends
5 to eliminate copayments for low-income families and limit copayments
6 for any family on subsidy to no more than seven percent of their
7 income.

8 (10) The legislature further intends to stabilize, support, and
9 grow the diverse early learning workforce by funding living wages and
10 affordable health benefits while providing training, infant and early
11 childhood mental health consultation, shared business services, and a
12 variety of other supports that recognize the critical role that early
13 learning providers serve for all Washington children.

14 (11) The legislature intends to accelerate Washington's economic
15 recovery from the devastating impacts of COVID-19 by dramatically
16 expanding access to affordable, high quality child care and
17 preschool, in order to get parents back to work and provide every
18 child with a fair start.

19 **PART I**

20 **INVESTING IN CHILD CARE AND EARLY LEARNING**

21 NEW SECTION. **Sec. 101.** FAIR START FOR KIDS ACCOUNT. (1) The
22 fair start for kids account is created in the state treasury. Moneys
23 in the account may be spent only after appropriation.

24 (2) Expenditures from the account may be used only for child care
25 and early learning purposes, including but not limited to:

26 (a) Increasing child care subsidy rates, with the goal of moving
27 toward the full cost of providing high quality child care;

28 (b) Expanding health care coverage through state sponsorship of
29 child care workers on the Washington health benefit exchange and
30 providing consumer assistance through navigators, as well as any
31 other expansions of access to affordable health care for staff in
32 child care centers, family home providers, outdoor nature-based care,
33 and early childhood education and assistance program staff;

34 (c) Increasing child care and early learning providers'
35 compensation;

36 (d) Implementing the provisions of collective bargaining
37 agreements for family child care providers negotiated pursuant to RCW
38 41.56.028;

1 (e) Supporting and expanding access to the early childhood
2 education and assistance program to reach state-funded entitlement
3 required in RCW 43.216.556;

4 (f) Making child care affordable for families;

5 (g) Providing resources and supports for family, friend, and
6 neighbor caregivers that better reflect the full cost of care;

7 (h) Providing professional development opportunities for child
8 care and early learning providers;

9 (i) Delivering infant and early childhood mental health
10 consultation services;

11 (j) Providing child care for school-age children and establishing
12 prekindergarten through third grade systems coordinators at
13 educational service districts;

14 (k) Awarding grants and loans through the early learning
15 facilities grant and loan program established under chapter 43.31
16 RCW;

17 (l) Paying enhanced rates for special rate designations in the
18 working connections child care programs, early childhood education
19 and assistance programs, and birth to three early childhood education
20 and assistance programs including designations established in
21 sections 302, 304, 305, and 404 of this act;

22 (m) Supporting costs for transparent data collection and
23 information technology systems operated by the department and
24 department contractors, in particular, to ensure equitable systemic
25 service provision and outcomes;

26 (n) Providing access to learning technology;

27 (o) Providing child care resource and referral services;

28 (p) Conducting quality rating and improvement system activities
29 through the early achievers program;

30 (q) Expanding prenatal to three services and supports, including
31 the birth to three early childhood education and assistance program
32 and the in-home parent skill-based programs established in RCW
33 43.216.130;

34 (r) Building and delivering a family resource and referral
35 linkage system;

36 (s) Administering comprehensive shared services hubs to allow the
37 ongoing pooling and shared use of services by licensed or certified
38 child care centers and family home providers;

1 (t) Training department staff to ensure consistent and equitable
2 application of child care licensing and quality standards across the
3 state including antibias and antiracist training;

4 (u) Providing incentives for child care providers to become
5 licensed; and

6 (v) Recognizing the benefits of the diverse workforce and
7 facilitating communication in the three most commonly spoken
8 languages by developing a language access plan that centers equity
9 and access for immigrants, multilingual providers, caregivers, and
10 families.

11 (3) Subsidies funded under this section are subject to bargaining
12 under RCW 41.56.028.

13 **Sec. 102.** RCW 43.216.075 and 2020 c 262 s 4 are each amended to
14 read as follows:

15 INVESTMENT ACCOUNTABILITY AND OVERSIGHT. (1) The early learning
16 advisory council is established to advise the department on statewide
17 early learning issues that contribute to the ongoing efforts of
18 building a comprehensive system of quality early learning programs
19 and services for Washington's young children and families.

20 (2) The council shall work in conjunction with the department to
21 ~~((assist))~~:

22 (a) Assist in policy development and implementation that ~~((assist~~
23 ~~the department in promoting)) promotes alignment of private and~~
24 ~~public sector actions, objectives, and resources, ~~((ensuring)) with~~~~
25 the overall goal of promoting school readiness for all children;

26 (b) Provide recommendations annually to the governor and the
27 legislature, beginning August 31, 2022, regarding the phased
28 implementation of strategies and priorities identified in section 101
29 of this act, recognizing that system capacity must be developed and
30 revenue expanded in order to achieve the stated goal in subsection
31 (1) of this section;

32 (c) Maintain a focus on racial equity and inclusion in order to
33 dismantle systemic racism at its core and contribute to statewide
34 efforts to break the cycle of intergenerational poverty;

35 (d) Maintain a focus on inclusionary practices for children with
36 disabilities;

37 (e) Partner with nonprofit organizations to collect and analyze
38 data and measure progress; and

1 (f) Assist the department in monitoring and ensuring that the
2 investments funded by the fair start for kids account created in
3 section 101 of this act are designed to support the following
4 objectives:

5 (i) Advance racial equity and strengthen families by recognizing
6 and responding to the growing diversity of our state's population;

7 (ii) Promote access to affordable, high quality child care and
8 early learning opportunities for all families, paying particular
9 attention to the needs of rural and other underserved communities;

10 (iii) Promote kindergarten readiness by enhancing child
11 development, including development of social-emotional skills, and
12 eliminating exclusionary admissions practices and disproportionate
13 removals in child care and early learning programs; and

14 (iv) Contribute to efforts to strengthen and grow our state's
15 economy by supporting working parents as well as stabilizing and
16 supporting the child care and early learning workforce.

17 (3) In collaboration with the council, the department shall
18 consult with its advisory groups and other interested stakeholders
19 and shall submit a biennial report to the governor and legislature
20 describing how the investments funded by the fair start for kids act
21 have impacted the policy objectives stated in subsection (2)(f) of
22 this section. The first report under this section is due September
23 15, 2023. The council shall include diverse, statewide representation
24 from public, nonprofit, and for-profit entities. Its membership shall
25 include critical partners in service delivery and reflect regional,
26 racial, and cultural diversity to adequately represent the ((needs))
27 interests of all children and families in the state.

28 (4) Councilmembers shall serve two-year terms. However, to
29 stagger the terms of the council, the initial appointments for twelve
30 of the members shall be for one year. Once the initial one-year to
31 two-year terms expire, all subsequent terms shall be for two years,
32 with the terms expiring on June 30th of the applicable year. The
33 terms shall be staggered in such a way that, where possible, the
34 terms of members representing a specific group do not expire
35 simultaneously.

36 (5) The council shall consist of members essential to
37 coordinating services statewide prenatal through age five, as
38 follows:

39 (a) In addition to being staffed and supported by the department,
40 the governor shall appoint one representative from each of the

1 following: The department of commerce and the department of health~~((~~
2 ~~the student achievement council, and the state board for community~~
3 ~~and technical colleges))~~);

4 (b) One representative from the student achievement council, to
5 be appointed by the student achievement council;

6 (c) The military spouse liaison created within the department of
7 veterans affairs under RCW 43.60A.245;

8 (d) One representative from the state board for community and
9 technical colleges, to be appointed by the state board for community
10 and technical colleges;

11 (e) One representative from the office of the superintendent of
12 public instruction, to be appointed by the superintendent of public
13 instruction;

14 ~~((c) The governor shall appoint leaders in early childhood~~
15 ~~education to represent critical service delivery and support sectors,~~
16 ~~with at least one individual representing each of the following:~~

17 ~~(i) The head start state collaboration office director or the~~
18 ~~director's designee;~~

19 ~~(ii) A representative of a head start, early head start, or~~
20 ~~migrant/seasonal head start program;~~

21 ~~(iii) A representative of a local education agency;~~

22 ~~(iv) A representative of the state agency responsible for~~
23 ~~programs under section 619 or part C of the federal individuals with~~
24 ~~disabilities education act;~~

25 ~~(v) A representative of the early childhood education and~~
26 ~~assistance program;~~

27 ~~(vi) A representative of licensed family day care providers;~~

28 ~~(vii) A representative of child day care centers; and~~

29 ~~(viii) A representative from the home visiting advisory committee~~
30 ~~established in RCW 43.216.130;~~

31 ~~(d))~~ (f) Two members of the house of representatives, one from
32 each caucus, to be appointed by the speaker of the house of
33 representatives and two members of the senate, one from each caucus,
34 to be appointed by the majority leader in the senate and the minority
35 leader in the senate;

36 ~~((e))~~ (g) Two parents, one of whom serves on the department's
37 parent advisory group, to be appointed by the ~~((governor))~~ parent
38 advisory group;

39 ~~((f))~~ (h) One representative of the private-public partnership
40 created in RCW 43.216.065, to be appointed by the partnership board;

1 ~~((g))~~ (i) One representative from the developmental
2 disabilities community representing children and families involved in
3 part C of the federal individuals with disabilities education act and
4 one representative from the developmental disabilities community
5 representing children and families involved in part B of the federal
6 individuals with disabilities education act;

7 ~~((h))~~ (j) Two representatives from early learning regional
8 coalitions;

9 ~~((i) — Representatives)~~ (k) Up to five representatives of
10 underserved communities who have a special expertise or interest in
11 high quality early learning, one to be appointed by each of the
12 following commissions:

13 (i) The Washington state commission on Asian Pacific American
14 affairs established under chapter 43.117 RCW;

15 (ii) The Washington state commission on African American affairs
16 established under chapter 43.113 RCW; ~~((and))~~

17 (iii) The Washington state commission on Hispanic affairs
18 established under chapter 43.115 RCW;

19 (iv) The Washington state women's commission established under
20 chapter 43.119 RCW; and

21 (v) The Washington state office of equity established under
22 chapter 43.06D RCW;

23 ~~((j))~~ (l) Two representatives designated by sovereign tribal
24 governments, one of whom must be a representative of a tribal early
25 childhood education assistance program or head start program;

26 ~~((k))~~ (m) One representative from the Washington federation of
27 independent schools;

28 ~~((l))~~ (n) One representative from the Washington library
29 association; ~~((and~~

30 ~~((m))~~ (o) One representative from a statewide advocacy coalition
31 of organizations that focuses on early learning;

32 (p) One representative from an association representing statewide
33 business interests, to be appointed by the association and one
34 representative from a regional business coalition;

35 (q) One representative of an advocacy organization for immigrants
36 and refugees;

37 (r) One representative of an organization advocating for expanded
38 learning opportunities and school-age child care programs;

39 (s) One representative from the largest union representing child
40 care providers;

1 (t) A representative of a head start, early head start, or
2 migrant and seasonal head start program, to be appointed by the head
3 start collaboration office;

4 (u) A representative of educational service districts, to be
5 appointed by a statewide association of educational service district
6 board members;

7 (v) A provider responsible for programs under section 619 of the
8 federal individuals with disabilities education act, to be appointed
9 by the superintendent of public instruction;

10 (w) A representative of the state agency responsible for part C
11 of the federal individuals with disabilities education act, to be
12 appointed by the department;

13 (x) A representative of the early childhood education and
14 assistance program, to be appointed by an association representing
15 early childhood education and assistance programs;

16 (y) A representative of licensed family home providers, to be
17 appointed by the largest union representing child care providers;

18 (z) A representative of child care centers, to be appointed by an
19 association representing child care centers;

20 (aa) A representative from the home visiting advisory committee
21 established in RCW 43.216.130, to be appointed by the committee;

22 (bb) An infant or early childhood mental health expert, to be
23 appointed by the Barnard center for infant and early childhood mental
24 health at the University of Washington;

25 (cc) A family, friend, and neighbor caregiver, to be appointed by
26 the largest union representing child care providers;

27 (dd) A representative from prenatal to three services;

28 (ee) A pediatrician, to be appointed by the state chapter of the
29 American academy of pediatrics; and

30 (ff) A representative of the statewide child care resource and
31 referral organization, to be appointed by the statewide child care
32 resource and referral organization.

33 (6) The council shall be cochaired by two members, to be elected
34 by the council for two-year terms and not more than one cochair may
35 represent a state agency.

36 (7) At the direction of the cochairs, the council may convene
37 advisory groups, such as a parent caucus, to evaluate specific issues
38 and report related findings and recommendations to the full council.

1 (8) The council shall appoint two members and stakeholders with
2 expertise in early learning to sit on the technical working group
3 created in section 2, chapter 234, Laws of 2010.

4 ~~((+8))~~ (9) Each member of the board shall be compensated in
5 accordance with RCW 43.03.240 and reimbursed for travel expenses
6 incurred in carrying out the duties of the board in accordance with
7 RCW 43.03.050 and 43.03.060.

8 ~~((+9))~~ (10)(a) The council shall convene an early achievers
9 review subcommittee to provide feedback and guidance on strategies to
10 improve the quality of instruction and environment for early learning
11 and provide input and recommendations on the implementation and
12 refinement of the early achievers program. The subcommittee shall at
13 a minimum provide feedback and guidance to the department and the
14 council on the following:

15 (i) Adequacy of data collection procedures;

16 (ii) Coaching and technical assistance standards;

17 (iii) Progress in reducing barriers to participation for low-
18 income providers and providers from diverse cultural backgrounds,
19 including a review of the early achievers program's rating tools,
20 quality standard areas, and components, and how they are applied;

21 (iv) Strategies in response to data on the effectiveness of early
22 achievers program standards in relation to providers and children
23 from diverse cultural backgrounds;

24 (v) Status of the life circumstance exemption protocols; ~~((and))~~

25 (vi) Analysis of early achievers program data trends; and

26 (vii) Other relevant early learning data including progress in
27 serving students with disabilities ages birth to five and least
28 restrictive environment data.

29 (b) The subcommittee must include consideration of cultural
30 linguistic responsiveness when analyzing the areas for review
31 required by (a) of this subsection.

32 (c) The subcommittee shall include representatives from child
33 care centers, family child care, the early childhood education and
34 assistance program, contractors for early achievers program technical
35 assistance and coaching, tribal governments, the organization
36 responsible for conducting early achievers program ratings, and
37 parents of children participating in early learning programs,
38 including working connections child care and early childhood
39 education and assistance programs. The subcommittee shall include
40 representatives from diverse cultural and linguistic backgrounds.

1 above 60 percent of the state median income and is at or below 75
2 percent of the state median income adjusted for family size and:

3 (a) The child receiving care is: (i) Less than 13 years of age;
4 or (ii) less than 19 years of age and has a verified special need
5 according to department rule or is under court supervision; and

6 (b) The household meets all other program eligibility
7 requirements.

8 (4) The department must calculate a monthly copayment according
9 to the following phased-in schedule:

Beginning date:	If the household's income is:	Then the household's copayment is:
Beginning July 1, 2021	At or below 20 percent of the state median income	\$15 or waived to the extent allowable under federal law
Beginning July 1, 2021	Above 20 percent and at or below 36 percent of the state median income	\$65
Beginning July 1, 2021	Above 36 percent and at or below 50 percent of the state median income	\$115
Beginning July 1, 2023	Above 50 percent and at or below 60 percent of the state median income	\$165
Beginning July 1, 2027	Above 60 percent and at or below 75 percent of the state median income	\$215

21 (5) The department must adopt rules to implement this section.

22 **Sec. 202.** RCW 43.216.136 and 2020 c 279 s 2 are each amended to
23 read as follows:

24 WORKING CONNECTIONS CHILD CARE FOR STUDENT PARENTS. (1) The
25 department shall establish and implement policies in the working
26 connections child care program to promote stability and quality of
27 care for children from low-income households. These policies shall
28 focus on supporting school readiness for young learners. Policies for
29 the expenditure of funds constituting the working connections child
30 care program must be consistent with the outcome measures established
31 by the department and the standards established in this section
32 intended to promote stability, quality, and continuity of early care
33 and education programming.

34 (2) As recommended by P.L. 113-186, authorizations for the
35 working connections child care subsidy are effective for twelve
36 months beginning July 1, 2016(~~(, unless an earlier date is provided~~
37 ~~in the omnibus appropriations act)~~).

1 (a) A household's 12-month authorization begins on the date that
2 child care is expected to begin.

3 (b) If a newly eligible household does not begin care within 12
4 months of being determined eligible by the department, the household
5 must reapply in order to qualify for subsidy.

6 (3) (a) The department shall establish and implement policies in
7 the working connections child care program to allow eligibility for
8 families with children who:

9 (i) In the last six months have:

10 (A) Received child protective services as defined and used by
11 chapters 26.44 and 74.13 RCW;

12 (B) Received child welfare services as defined and used by
13 chapter 74.13 RCW; or

14 (C) Received services through a family assessment response as
15 defined and used by chapter 26.44 RCW;

16 (ii) Have been referred for child care as part of the family's
17 case management as defined by RCW 74.13.020; and

18 (iii) Are residing with a biological parent or guardian.

19 (b) ~~((Children))~~ Families who are eligible for working
20 connections child care pursuant to this subsection do not have to
21 keep receiving services identified in this subsection to maintain
22 twelve-month authorization.

23 (4) (a) ~~Beginning ((August 1, 2020))~~ July 1, 2023, and subject to
24 the availability of amounts appropriated for this specific purpose,
25 the department may not require an applicant or consumer to meet work
26 requirements as a condition of receiving working connections child
27 care benefits when the applicant or consumer is ~~((~~

28 ~~(i) A single parent;~~

29 ~~(ii) A) a full-time student of a community, technical, or tribal~~
30 ~~college ((~~) and ~~((~~ ~~(iii) Pursuing))~~ is enrolled in: (i) A vocational
31 education program that leads to a degree or certificate in a specific
32 occupation ((, not to result in a bachelor's or advanced degree));

33 (ii) An associate degree program; or

34 (iii) A registered apprenticeship program.

35 (b) An applicant or consumer is a full-time student for the
36 purposes of this subsection if he or she meets the college's
37 definition of a full-time student ~~((~~ ~~The student must maintain~~
38 ~~passing grades and be))~~ and is in good standing ~~((~~ ~~pursuant to college~~
39 ~~attendance requirements))~~.

1 (c) Nothing in this subsection is intended to change how
2 applicants or consumers are prioritized when applicants or consumers
3 are placed on a waitlist for working connections child care benefits.

4 (d) Subject to the availability of amounts appropriated for this
5 specific purpose, the department may extend the provisions of this
6 subsection (4) to full-time students who are enrolled in a bachelor's
7 degree program or applied baccalaureate degree program.

8 (5) (a) The department must extend the homeless grace period, as
9 adopted in department rule as of January 1, 2020, from a four-month
10 grace period to a twelve-month grace period.

11 (b) For the purposes of this section, "homeless" means being
12 without a fixed, regular, and adequate nighttime residence as
13 described in the federal McKinney-Vento homeless assistance act (42
14 U.S.C. Sec. 11434a) as it existed on January 1, 2020.

15 (6) For purposes of this section, "authorization" means a
16 transaction created by the department that allows a child care
17 provider to claim payment for care. The department may adjust an
18 authorization based on a household's eligibility status.

19 NEW SECTION. Sec. 203. EARLY CHILDHOOD EDUCATION AND ASSISTANCE
20 PROGRAM INTENT. (1) The legislature finds that eligibility guidelines
21 for the national school lunch program require free meals for children
22 with household incomes at or below 130 percent of the federal poverty
23 level and that this income level is approximately equivalent to 36
24 percent of the state median income for a household of three. The
25 legislature further finds that eligibility guidelines require
26 reduced-price meals for children with household incomes at or below
27 185 percent of the federal poverty level and that this income level
28 is approximately equivalent to 50 percent of the state median income
29 for a household of three.

30 (2) Therefore, the legislature intends to raise the maximum
31 family income for children entitled to enroll in the early childhood
32 education and assistance program to 36 percent of the state median
33 income beginning July 1, 2026. Beginning in the 2030-31 school year,
34 the legislature intends to raise the maximum family income for
35 children entitled to enroll in this program to 50 percent of the
36 state median income. It is the intent of the legislature to
37 standardize income eligibility levels for assistance programs in
38 order to help families and social workers better understand the

1 benefits for which families qualify and to simplify and align state
2 systems wherever feasible.

3 (3) The legislature further intends to support educational
4 service districts to help school districts partner with early
5 childhood education and assistance program contractors and providers
6 to expand access.

7 **Sec. 204.** RCW 43.216.505 and 2019 c 408 s 2 are each amended to
8 read as follows:

9 EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM ENTITLEMENT
10 ELIGIBILITY. Unless the context clearly requires otherwise, the
11 definitions in this section apply throughout RCW 43.216.500 through
12 43.216.559, 43.216.900, and 43.216.901.

13 (1) "Advisory committee" means the advisory committee under RCW
14 43.216.520.

15 (2) "Approved programs" means those state-supported education and
16 special assistance programs which are recognized by the department as
17 meeting the minimum program rules adopted by the department to
18 qualify under RCW 43.216.500 through 43.216.550, 43.216.900, and
19 43.216.901 and are designated as eligible for funding by the
20 department under RCW 43.216.530 and 43.216.540.

21 (3) "Comprehensive" means an assistance program that focuses on
22 the needs of the child and includes education, health, and family
23 support services.

24 (4) "Eligible child" means a three to five-year old child who is
25 not age-eligible for kindergarten, is not a participant in a federal
26 or state program providing comprehensive services, and who:

27 (a) ~~Has a family ((income at or below one hundred ten percent of~~
28 ~~the federal poverty level, as published annually by the federal~~
29 ~~department of health and human services)) with financial need;~~

30 (b) Is experiencing homelessness;

31 (c) Has participated in early head start or a successor federal
32 program providing comprehensive services for children from birth
33 through two years of age, the early support for infants and toddlers
34 program or received class C developmental services, the birth to
35 three early childhood education and assistance program, or the early
36 childhood intervention and prevention services program;

37 (d) Is eligible for special education due to disability under RCW
38 28A.155.020; ((or

1 ~~(e))~~ (e) Is Indian as defined in rule by the department after
2 consultation and agreement with Washington state's federally
3 recognized tribes pursuant to section 207 of this act and is at or
4 below 100 percent of the state median income adjusted for family
5 size; or

6 (f) Meets criteria under rules adopted by the department if the
7 number of such children equals not more than ten percent of the total
8 enrollment in the early childhood program. Preference for enrollment
9 in this group shall be given to children from families with the
10 lowest income, children in foster care, or to eligible children from
11 families with multiple needs.

12 (5) "Family support services" means providing opportunities for
13 parents to:

14 (a) Actively participate in their child's early childhood
15 program;

16 (b) Increase their knowledge of child development and parenting
17 skills;

18 (c) Further their education and training;

19 (d) Increase their ability to use needed services in the
20 community;

21 (e) Increase their self-reliance; and

22 (f) Connect with culturally competent, disability positive
23 therapists and supports where appropriate.

24 (6) "Experiencing homelessness" means a child without a fixed,
25 regular, and adequate nighttime residence as described in the federal
26 McKinney-Vento homeless assistance act (42 U.S.C., Chapter 119,
27 Subchapter VI, Part B) as it existed on January 1, 2021.

28 (7) "Family with financial need" means families with incomes at
29 or below 36 percent of the state median income adjusted for family
30 size until the 2030-31 school year. Beginning in the 2030-31 school
31 year, "family with financial need" means families with incomes at or
32 below 50 percent of the state median income adjusted for family size.

33 **Sec. 205.** RCW 43.216.512 and 2019 c 409 s 2 are each amended to
34 read as follows:

35 EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM EXPANDED
36 ENROLLMENT. (1) The department shall adopt rules that allow the
37 enrollment of children in the early childhood education and
38 assistance program, as space is available, if the number of such
39 children equals not more than (~~twenty-five~~) 25 percent of total

1 statewide enrollment, when the child is not eligible under RCW
2 43.216.505 and whose family income level is (~~÷~~

3 ~~(a) Above one hundred ten percent but less than or equal to one~~
4 ~~hundred thirty percent of the federal poverty level; or~~

5 ~~(b) Above one hundred thirty percent but less than or equal to~~
6 ~~two hundred percent of the federal poverty level if))~~ above 36
7 percent of the state median income but at or below 50 percent of the
8 state median income adjusted for family size and the child meets at
9 least one of the risk factor criterion described in subsection (2) of
10 this section.

11 (2) Children enrolled in the early childhood education and
12 assistance program pursuant to (~~subsection (1)(b) of~~) this section
13 must be prioritized for available funded slots according to a
14 prioritization system adopted in rule by the department that
15 considers risk factors that have a disproportionate effect on
16 kindergarten readiness and school performance, including:

17 (a) Family income as a percent of the (~~federal poverty level~~)
18 state median income;

19 (b) (~~Homelessness;~~

20 ~~(c))~~ Child welfare system involvement;

21 (~~(d))~~ (c) Developmental delay (or disability that does not
22 meet the eligibility criteria for special education described in RCW
23 28A.155.020)) eligible for services under part C of the federal
24 individuals with disabilities education act but not eligible for
25 services under part B of the federal individuals with disabilities
26 education act;

27 (~~(e))~~ (d) Domestic violence;

28 (~~(f))~~ (e) English as a second language;

29 (~~(g))~~ (f) Expulsion from an early learning setting;

30 (~~(h))~~ (g) A parent who is incarcerated;

31 (~~(i))~~ (h) A parent with a (substance use disorder or mental)
32 behavioral health treatment need; and

33 (~~(j))~~ (i) Other risk factors determined by the department to be
34 linked by research to school performance.

35 (3) (~~The department shall adopt rules that allow a child to~~
36 ~~enroll in the early childhood education and assistance program, as~~
37 ~~space is available, when the child is not eligible under RCW~~
38 ~~43.216.505 and the child turns three years old at any time during the~~
39 ~~school year when the child:~~

1 ~~(a) Has a family income at or below two hundred percent of the~~
2 ~~federal poverty level or meets at least one risk factor criterion~~
3 ~~adopted by the department in rule; and~~

4 ~~(b) Has received services from or participated in:~~

5 ~~(i) The early support for infants and toddlers program;~~

6 ~~(ii) The early head start or a successor federal program~~
7 ~~providing comprehensive services for children from birth through two~~
8 ~~years of age; or~~

9 ~~(iii) The birth to three early childhood education and assistance~~
10 ~~program, if such a program is established.~~

11 ~~(4)) Children enrolled in the early childhood education and~~
12 ~~assistance program under this section are not considered eligible~~
13 ~~children as defined in RCW 43.216.505 and are not considered to be~~
14 ~~part of the state-funded entitlement required in RCW 43.216.556.~~

15 (4) This section expires August 1, 2030.

16 NEW SECTION. Sec. 206. EARLY CHILDHOOD EDUCATION AND ASSISTANCE
17 PROGRAM EARLY ENTRY. (1) The department shall adopt rules that allow
18 a child to enroll in the early childhood education and assistance
19 program, as space is available and subject to the availability of
20 amounts appropriated for this specific purpose, when the child is not
21 eligible under RCW 43.216.505 and the child turns three years old at
22 any time during the school year when the child:

23 (a) Has a family income at or below 100 percent of the state
24 median income or meets at least one risk factor criterion adopted by
25 the department in rule; and

26 (b) Has received services from or participated in:

27 (i) The early head start or a successor federal program providing
28 comprehensive services for children from birth through two years of
29 age;

30 (ii) The early support for infants and toddlers program or
31 received class C developmental services;

32 (iii) The birth to three early childhood education and assistance
33 program; or

34 (iv) The early childhood intervention and prevention services
35 program.

36 (2) Children enrolled in the early childhood education and
37 assistance program under this section are not eligible children as
38 defined in RCW 43.216.505 and are not part of the state-funded
39 entitlement required in RCW 43.216.556.

1 (b) By July 1, 2023, child care subsidy base rates must achieve
2 the 85th percentile of market for licensed or certified child care
3 providers.

4 (3) (a) The department shall build upon the work of the child care
5 collaborative task force to develop and implement a child care cost
6 estimate model and use the completed child care cost model
7 ((developed under RCW 43.330.527 to determine child care subsidy
8 rates.

9 (2) This section expires January 30, 2025)) to recommend subsidy
10 rates at levels that are sufficient to compensate licensed or
11 certified child care providers for the full costs of providing high
12 quality child care. The department shall consider:

13 (i) Adjusting rates to reflect cost of living such as area median
14 income, cost of living by zip code, and grouping by categories such
15 as rural, suburban, or urban; and

16 (ii) Incorporating the rate model for nonstandard child care
17 hours developed under section 306 of this act.

18 (b) The department shall build upon the work of the child care
19 collaborative task force to evaluate options to support access to
20 affordable health care insurance coverage for licensed or certified
21 child care providers.

22 (4) This section does not interfere with, impede, or in any way
23 diminish the right of employees to bargain collectively with their
24 employers through the exclusive bargaining representatives as
25 provided for under RCW 41.56.028.

26 NEW SECTION. Sec. 302. EARLY CHILDHOOD EDUCATION AND ASSISTANCE
27 PROGRAM RATES. (1) Rates for the early childhood education and
28 assistance program shall be established as follows:

29 (a) For the 2021-22 through 2022-23 school years, rates must be
30 set at a level at least five percent higher than the rates
31 established in section 225, chapter 415, Laws of 2019.

32 (b) For the 2023-24 school year, rates shall be set at a level at
33 least nine percent higher than the rates established in section 225,
34 chapter 415, Laws of 2019.

35 (2) It is the intent of the legislature that rate increases shall
36 be informed by the department's 2020 early childhood education and
37 assistance program rate study.

38 (3) This section expires June 30, 2027.

1 NEW SECTION. **Sec. 303.** COMPLEX NEEDS FUNDS. (1) Subject to the
2 availability of amounts appropriated for this specific purpose, the
3 department shall administer in collaboration with the office of the
4 superintendent of public instruction, two complex needs funds to
5 promote inclusive, least restrictive environments and to support
6 contractors and providers serving children who have developmental
7 delays, disabilities, behavioral needs, or other unique needs. One
8 fund must support early childhood education and assistance program
9 contractors and providers and birth to three early childhood
10 education and assistance program contractors and providers, and one
11 fund must support licensed or certified child care providers and
12 license-exempt child care programs.

13 (2) Support may include staffing, programming, therapeutic
14 services, and equipment or technology support. Additional support may
15 include activities to assist families with children expelled or at
16 risk of expulsion from child care, and to help families transition in
17 and out of child care.

18 NEW SECTION. **Sec. 304.** TRAUMA-INFORMED CARE SUPPORTS. (1) By
19 July 1, 2022, the department shall provide supports to aid eligible
20 providers in providing trauma-informed care. Trauma-informed care
21 supports may be used by eligible providers for the following
22 purposes:

23 (a) Wage increases for individual staff who have an infant and
24 early childhood mental health or other child development specialty
25 credential;

26 (b) Trauma-informed professional development and training;

27 (c) The purchase of screening tools and assessment materials;

28 (d) Supportive services for children with complex needs that are
29 offered as fee-for-service within local communities; or

30 (e) Other related expenses.

31 (2) The department must adopt rules to implement this section.

32 (3) For the purposes of this section, "eligible provider" means:

33 (a) An employee or owner of a licensed or certified child care center
34 or outdoor nature-based care accepting state subsidy; (b) an employee
35 or owner of a licensed family home provider accepting state subsidy;
36 (c) a contractor or provider of the early childhood education and
37 assistance program or birth to three early childhood education and
38 assistance program; (d) a license-exempt child care program; or (e)
39 an early achievers coach.

1 NEW SECTION. **Sec. 305.** DUAL LANGUAGE RATE ENHANCEMENT. (1) By
2 July 1, 2022, the department shall establish a dual language
3 designation and provide a subsidy rate enhancement for licensed or
4 certified child care providers who are accepting state subsidy; early
5 childhood education and assistance program contractors; or birth to
6 three early childhood education and assistance program contractors.
7 It is the intent of the legislature to allow uses of the rate
8 enhancement to include increased wages for individual staff who
9 provide bilingual instruction, professional development training, the
10 purchase of dual language and culturally appropriate curricula and
11 accompanying training programs, instructional materials, or other
12 related expenses.

13 (2) The department must consult with a culturally and
14 linguistically diverse stakeholder advisory group to develop criteria
15 for the dual language designation.

16 (3) The department must adopt rules to implement this section.

17 (4) To the extent practicable, parties should consider in
18 collective bargaining agreements, beginning in the 2023-2025 fiscal
19 biennium, implementation of a rate structure similar to the
20 provisions in this section.

21 NEW SECTION. **Sec. 306.** NONSTANDARD HOURS RATE MODEL. (1) In
22 order to expand the supply of critically needed after-hours care to
23 meet the needs of parents and caregivers and a round-the-clock
24 economy and subject to the availability of amounts appropriated for
25 this specific purpose, the department of children, youth, and
26 families, in consultation with diverse stakeholders, must develop a
27 rate model for nonstandard child care hours and submit the model to
28 the governor and the appropriate committees of the legislature by
29 January 1, 2022.

30 (2) This section expires June 30, 2022.

31 NEW SECTION. **Sec. 307.** EARLY CHILDHOOD EQUITY GRANTS. (1)
32 Subject to the availability of amounts appropriated for this specific
33 purpose, the department shall distribute early childhood equity
34 grants to eligible applicants. Eligible applicants include play and
35 learn groups, licensed or certified child care centers and family
36 home providers, license-exempt child care programs, and early
37 childhood education and assistance program contractors. The equity
38 grants are intended to serve as a step toward expanding access to

1 early learning statewide and transforming Washington's early learning
2 system to make it more inclusive and equitable. The department shall
3 administer the early childhood equity grants to support inclusive and
4 culturally and linguistically specific early learning and early
5 childhood and parent support programs across the state.

6 (2) The department must conduct an equitable process to
7 prioritize grant applications for early childhood equity grant
8 assistance. An eligible applicant may receive an early childhood
9 equity grant once every two years. When conducting the equitable
10 grant process, the department must:

11 (a) Solicit project applications from a racially and
12 geographically diverse pool of eligible applicants statewide;

13 (b) Provide application materials in the five most commonly
14 spoken languages in the state and broadly communicate using a variety
15 of strategies to reach diverse communities;

16 (c) Require applicants to demonstrate their proposed uses of
17 early childhood equity grant funds to incorporate either inclusive
18 practices or culturally and linguistically supportive and relevant
19 practices, or both, into early learning program design, delivery,
20 education, training, and evaluation; and

21 (d) Provide technical assistance to any applicant who needs it.

22 NEW SECTION. **Sec. 308.** A new section is added to chapter 43.330
23 RCW to read as follows:

24 EMPLOYER-SUPPORTED CHILD CARE. (1) Subject to the availability of
25 amounts appropriated for this specific purpose, the department, in
26 collaboration with the department of children, youth, and families,
27 shall provide or contract to provide remote or in-person technical
28 assistance to employers interested in supporting their employees'
29 access to high quality child care.

30 (2) Technical assistance may include guidance related to:

31 (a) Operating a licensed child care center at or near the
32 workplace for the benefit of employees;

33 (b) Financing and construction of a licensed child care center at
34 or near the workplace for the benefit of employees;

35 (c) Providing financial assistance to employees for licensed or
36 certified child care providers and license-exempt child care program
37 expenses;

38 (d) Encouraging access and support for low-wage employees;

1 (e) Sponsoring dependent care flexible spending accounts for
2 employees; and

3 (f) Developing a "bring your infant to work" program and other
4 family-friendly work policies for employees.

5 NEW SECTION. Sec. 309. INFANT AND EARLY CHILDHOOD MENTAL HEALTH
6 CONSULTATION. (1) Subject to the availability of amounts appropriated
7 for this specific purpose, the department shall administer or
8 contract for infant and early childhood mental health consultation
9 services to child care providers and early learning providers
10 participating in the early achievers program.

11 (2) Infant and early childhood mental health consultation
12 services must be delivered in coordination with the consultants
13 provided under RCW 43.216.090.

14 (3) The department shall provide, or contract with an entity to
15 provide, reflective supervision and professional development for
16 infant and early childhood mental health consultants to meet national
17 competency standards.

18 (4) As capacity allows, the department may provide access to
19 infant and early childhood mental health consultation services to
20 caregivers and licensed or certified, military, and tribal early
21 learning providers, license-exempt family, friend, and neighbor care
22 providers, and families with children expelled or at risk of
23 expulsion from child care.

24 **Sec. 310.** RCW 43.216.090 and 2019 c 360 s 7 are each amended to
25 read as follows:

26 INFANT AND EARLY CHILDHOOD MENTAL HEALTH CONSULTATION. ((The)) By
27 July 1, 2021, and subject to the availability of amounts appropriated
28 for this specific purpose, the department of children, youth, and
29 families must have or contract for one infant and early childhood
30 mental health consultation coordinator and must enter into a
31 contractual agreement with an organization providing coaching
32 services to early achievers program participants to hire ((one)) at
33 least 12 qualified infant and early childhood mental health
34 consultants, with at least one for each of the six department-
35 designated regions. The infant and early childhood mental health
36 consultants must be placed in regions based on the highest need. The
37 infant and early childhood mental health consultants must support
38 early achievers program coaches and child care providers by providing

1 resources, information, and guidance regarding challenging behavior
2 and expulsions and may travel to assist providers in serving families
3 and children with severe behavioral needs. (~~In coordination with the
4 contractor, the department of children, youth, and families must
5 report on the services provided and the outcomes of the consultant
6 activities to the governor and the appropriate policy and fiscal
7 committees of the legislature by June 30, 2021.~~)

8 NEW SECTION. **Sec. 311.** PLAY AND LEARN GROUPS. Subject to the
9 availability of amounts appropriated for this specific purpose, the
10 department, in consultation with community-based programs, shall
11 provide or contract to provide, or both, resources and supports for
12 inclusive and culturally and linguistically relevant play and learn
13 groups. Play and learn groups offer parents and other caregivers
14 culturally responsive opportunities to support their children's early
15 learning, build relationships that reduce isolation and encourage
16 socialization, and promote kindergarten readiness.

17 NEW SECTION. **Sec. 312.** PROFESSIONAL DEVELOPMENT. (1) Subject to
18 the availability of amounts appropriated for this specific purpose,
19 the department shall provide professional development supports to aid
20 eligible providers in reaching the professional education and
21 training standards adopted by the department. Professional
22 development supports may include:

23 (a) Department-required trainings for child care providers
24 conducted by department-approved trainers;

25 (b) Trainings for license-exempt family, friend, and neighbor
26 child care providers conducted by department-approved trainers;

27 (c) Early achievers scholarships;

28 (d) Community-based training pathways and systems developed under
29 RCW 43.216.755; and

30 (e) Other professional development activities such as updating
31 training content, data collection and reporting, trainer recruitment,
32 retention, program monitoring, and trainings delivered by department-
33 approved trainers on topics such as small business management,
34 antibias and antiracist training, providing care for children with
35 developmental disabilities, social-emotional learning, implementing
36 inclusionary practices in early learning environments, infant and
37 toddler care, dual language program development, and providing
38 trauma-informed care.

1 (2) For the purposes of this section, "eligible provider" means:
2 (a) An employee or owner of a licensed or certified child care center
3 or outdoor nature-based care accepting state subsidy; (b) an employee
4 or owner of a licensed family home provider accepting state subsidy;
5 (c) a contractor or provider of the early childhood education and
6 assistance program or birth to three early childhood education and
7 assistance program; or (d) an early achievers coach.

8 **PART IV**

9 **STRENGTHENING PRENATAL TO THREE SUPPORTS**

10 NEW SECTION. **Sec. 401.** PRENATAL TO THREE INTENT. (1) The
11 legislature finds that parental relationships and healthy
12 interactions in the first few years of life help shape the
13 development of babies' and toddlers' brains and bodies. Eighty
14 percent of the brain is developed by the age of three and parents are
15 a child's first teachers.

16 (2) The legislature finds that the federal family first
17 prevention services act (P.L. 115-123) offers the state the
18 opportunity to leverage federal funding for certain programs,
19 including in-home parent skill-based programs, substance use disorder
20 support, and mental health interventions. Culturally relevant,
21 evidence-based programs that may qualify for these federal funds are
22 limited. Therefore, state support may be necessary to serve
23 traditionally underrepresented communities and increase positive
24 engagement from parents and caregivers of children from before birth
25 to age three.

26 (3) The legislature finds that small teacher-child ratios for
27 infant and toddler care, as well as the existence of child care
28 deserts with low levels of access to care for the birth to three age
29 group, contribute to higher expenses for providers and families with
30 babies and young children.

31 (4) Therefore, the legislature intends to expand parent and
32 family education and support, incentivize the provision of infant and
33 toddler care, and make early therapeutic and preventative services
34 more readily available to families and young children.

35 NEW SECTION. **Sec. 402.** EDUCATION AND SUPPORT FOR PARENTS AND
36 FAMILY, FRIEND, AND NEIGHBOR CAREGIVERS. (1) Subject to the
37 availability of amounts appropriated for this specific purpose, the

1 department shall administer a prenatal to three family engagement
2 strategy to support expectant parents, babies and toddlers from birth
3 to three years of age, and their caregivers.

4 (2) Components of the prenatal to three family engagement
5 strategy must include supports and services to improve maternal and
6 infant health outcomes, reduce and mitigate trauma, promote
7 attachment and other social-emotional assets, strengthen parenting
8 skills, and provide early supports to help maximize healthy and
9 robust childhood development and reduce isolation. Services and
10 supports may include:

11 (a) In-home parent skill-based programs and training established
12 in RCW 43.216.130;

13 (b) Facilitated play and learn groups;

14 (c) Parent peer-support groups, including groups designed for
15 families with children with complex needs; families whose primary
16 home language is not English; incarcerated parents; families coping
17 with substance use disorder or mental health support needs; black,
18 indigenous, and families of color; or other specific needs; and

19 (d) Other prenatal to age three programs and services.

20 (3) Continuity of services for babies and toddlers are important
21 for early childhood brain development. Therefore, the services and
22 supports described in this section may be made available to
23 biological parents, foster parents, kinship care providers, and other
24 family, friend, and neighbor caregivers.

25 **Sec. 403.** RCW 43.216.578 and 2019 c 408 s 8 are each amended to
26 read as follows:

27 BIRTH TO THREE EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM.

28 (1) ~~((Within resources available under the federal preschool
29 development grant birth to five grant award received in December
30 2018,))~~ Subject to the availability of amounts appropriated for this
31 specific purpose, the department shall ~~((develop a plan for phased
32 implementation of))~~ administer a birth to three early childhood
33 education and assistance program ~~((pilot project))~~ for eligible
34 children under thirty-six months old. Funds to implement the ~~((pilot
35 project))~~ program may include a combination of federal, state, or
36 private sources.

37 (2) The department may adopt rules to implement the ~~((pilot
38 project))~~ program and may waive or adapt early childhood education
39 and assistance program requirements when necessary to allow for the

1 operation of the birth to three early childhood education and
2 assistance program. The department shall consider early head start
3 rules and regulations when developing the provider and family
4 eligibility requirements and program requirements. (~~Any deviations~~
5 ~~from early head start standards, rules, or regulations must be~~
6 ~~identified and explained by the department in its annual report under~~
7 ~~subsection (6) of this section.))~~

8 (3) (a) (~~Upon securing adequate funds to begin implementation,~~
9 ~~the pilot project~~) The birth to three early childhood education and
10 assistance program((s)) must be delivered through child care centers
11 and family home providers who meet minimum licensing standards and
12 are enrolled in the early achievers program.

13 (b) The department must determine minimum early achievers ratings
14 scores for ((programs)) participating ((in the pilot project))
15 contractors.

16 (4) (~~When selecting pilot project locations for service~~
17 ~~delivery, the department may allow each pilot project location to~~
18 ~~have up to three classrooms per location. When selecting and~~
19 ~~approving pilot project locations, the department shall attempt to~~
20 ~~select a combination of rural, urban, and suburban locations. The~~
21 ~~department shall prioritize locations with programs currently~~
22 ~~operating early head start, head start, or the early childhood~~
23 ~~education and assistance program.~~

24 ~~(5))~~ To be eligible for the birth to three early childhood
25 education and assistance program, a child's family income must be at
26 or below ((one hundred thirty)) 50 percent of the ((federal poverty
27 level)) state median income and the child must be under thirty-six
28 months old.

29 ((~~(6) Beginning November 1, 2020, and each November 1st~~
30 ~~thereafter during pilot project activity, the department shall submit~~
31 ~~an annual report to the governor and legislature that includes a~~
32 ~~status update that describes the planning work completed, the status~~
33 ~~of funds secured, and any implementation activities of the pilot~~
34 ~~project. Implementation activity reports must include a description~~
35 ~~of the participating programs and number of children and families~~
36 ~~served.))~~

37 NEW SECTION. **Sec. 404.** INFANT CARE INCENTIVES. (1) The
38 legislature finds that our state suffers from an extreme shortage of
39 infant child care, impacting the ability of parents to participate in

1 the workforce. Further, parents returning to work after using paid
2 family leave to care for a new child struggle to find readily
3 available, high quality care during a time of critical growth and
4 brain development for young children. Therefore, the legislature
5 intends to incentivize the provision of high quality infant care.

6 (2) By July 1, 2022, the department shall provide an infant rate
7 enhancement for licensed or certified child care providers and birth
8 to three early childhood education and assistance program contractors
9 who are:

10 (a) Accepting state subsidy;

11 (b) In good standing with the early achievers quality rating and
12 improvement system; and

13 (c) Caring for a child between the ages of birth and 11 months.

14 (3) To the extent practicable, parties should consider in
15 collective bargaining agreements, beginning in the 2021-2023 fiscal
16 biennium, implementation of a rate structure similar to the
17 provisions in this section.

18 NEW SECTION. **Sec. 405.** EARLY THERAPEUTIC AND PREVENTATIVE
19 SERVICES. (1) Subject to the availability of amounts appropriated for
20 this specific purpose, the department shall administer early
21 therapeutic and preventative services and programs, such as the early
22 childhood intervention and prevention services program, and other
23 related services for children who are:

24 (a) Between the ages of birth and five years; and

25 (b) Referred by a child welfare worker, a department of social
26 and health services social worker, a primary care physician, a
27 behavioral health provider, or a public health nurse due to: (i) Risk
28 of child abuse or neglect; (ii) exposure to complex trauma; or (iii)
29 significant developmental delays.

30 (2) Subject to the availability of amounts appropriated for this
31 specific purpose, the department shall make all reasonable efforts to
32 deliver early therapeutic and preventative services and programs
33 statewide. These services and programs must focus first on children
34 and families furthest from opportunity as defined by income and be
35 delivered by programs that emphasize greater racial equity.

36 **PART V**
37 **CONFORMING AMENDMENTS**

1 **Sec. 501.** RCW 43.216.010 and 2020 c 270 s 11 are each reenacted
2 and amended to read as follows:

3 The definitions in this section apply throughout this chapter
4 unless the context clearly requires otherwise.

5 (1) "Agency" means any person, firm, partnership, association,
6 corporation, or facility that provides child care and early learning
7 services outside a child's own home and includes the following
8 irrespective of whether there is compensation to the agency:

9 (a) "Child day care center" and "child care center" mean(~~s~~) an
10 agency that regularly provides early childhood education and early
11 learning services for a group of children for periods of less than
12 twenty-four hours;

13 (b) "Early learning" includes but is not limited to programs and
14 services for child care; state, federal, private, and nonprofit
15 preschool; child care subsidies; child care resource and referral;
16 parental education and support; and training and professional
17 development for early learning professionals;

18 (c) "Family day care provider" and "family home provider"
19 mean(~~s~~) a child care provider who regularly provides early
20 childhood education and early learning services for not more than
21 twelve children at any given time in the provider's home in the
22 family living quarters;

23 (d) "Nongovernmental private-public partnership" means an entity
24 registered as a nonprofit corporation in Washington state with a
25 primary focus on early learning, school readiness, and parental
26 support, and an ability to raise a minimum of five million dollars in
27 contributions;

28 (e) "Service provider" means the entity that operates a community
29 facility.

30 (2) "Agency" does not include the following:

31 (a) Persons related to the child in the following ways:

32 (i) Any blood relative, including those of half-blood, and
33 including first cousins, nephews or nieces, and persons of preceding
34 generations as denoted by prefixes of grand, great, or great-great;

35 (ii) Stepfather, stepmother, stepbrother, and stepsister;

36 (iii) A person who legally adopts a child or the child's parent
37 as well as the natural and other legally adopted children of such
38 persons, and other relatives of the adoptive parents in accordance
39 with state law; or

1 (iv) Spouses of any persons named in (a)(i), (ii), or (iii) of
2 this subsection, even after the marriage is terminated;

3 (b) Persons who are legal guardians of the child;

4 (c) Persons who care for a neighbor's or friend's child or
5 children, with or without compensation, where the person providing
6 care for periods of less than twenty-four hours does not conduct such
7 activity on an ongoing, regularly scheduled basis for the purpose of
8 engaging in business, which includes, but is not limited to,
9 advertising such care;

10 (d) Parents on a mutually cooperative basis exchange care of one
11 another's children;

12 (e) Nursery schools that are engaged primarily in early childhood
13 education with preschool children and in which no child is enrolled
14 on a regular basis for more than four hours per day;

15 (f) Schools, including boarding schools, that are engaged
16 primarily in education, operate on a definite school year schedule,
17 follow a stated academic curriculum, and accept only school age
18 children;

19 (g) Seasonal camps of three months' or less duration engaged
20 primarily in recreational or educational activities;

21 (h) Facilities providing child care for periods of less than
22 twenty-four hours when a parent or legal guardian of the child
23 remains on the premises of the facility for the purpose of
24 participating in:

25 (i) Activities other than employment; or

26 (ii) Employment of up to two hours per day when the facility is
27 operated by a nonprofit entity that also operates a licensed child
28 care program at the same facility in another location or at another
29 facility;

30 (i) Any entity that provides recreational or educational
31 programming for school age children only and the entity meets all of
32 the following requirements:

33 (i) The entity utilizes a drop-in model for programming, where
34 children are able to attend during any or all program hours without a
35 formal reservation;

36 (ii) The entity does not assume responsibility in lieu of the
37 parent, unless for coordinated transportation;

38 (iii) The entity is a local affiliate of a national nonprofit;
39 and

1 (iv) The entity is in compliance with all safety and quality
2 standards set by the associated national agency;

3 (j) A program operated by any unit of local, state, or federal
4 government;

5 (k) A program located within the boundaries of a federally
6 recognized Indian reservation, licensed by the Indian tribe;

7 (l) A program located on a federal military reservation, except
8 where the military authorities request that such agency be subject to
9 the licensing requirements of this chapter;

10 (m) A program that offers early learning and support services,
11 such as parent education, and does not provide child care services on
12 a regular basis.

13 (3) "Applicant" means a person who requests or seeks employment
14 in an agency.

15 (4) "Certificate of parental improvement" means a certificate
16 issued under RCW 74.13.720 to an individual who has a founded finding
17 of physical abuse or negligent treatment or maltreatment, or a court
18 finding that the individual's child was dependent as a result of a
19 finding that the individual abused or neglected their child pursuant
20 to RCW 13.34.030(6)(b).

21 (5) "Conviction information" means criminal history record
22 information relating to an incident which has led to a conviction or
23 other disposition adverse to the applicant.

24 (6) "Department" means the department of children, youth, and
25 families.

26 (7) "Early achievers" means a program that improves the quality
27 of early learning programs and supports and rewards providers for
28 their participation.

29 (8) "Early childhood education and assistance program contractor"
30 means an organization that provides early childhood education and
31 assistance program services under a signed contract with the
32 department.

33 (9) "Early childhood education and assistance program provider"
34 means an organization that provides site level, direct, and high
35 quality early childhood education and assistance program services
36 under the direction of an early childhood education and assistance
37 program contractor.

38 (10) (~~"Early start" means an integrated high quality continuum~~
39 ~~of early learning programs for children birth to five years of age.~~

1 ~~Components of early start include, but are not limited to, the~~
2 ~~following:~~

3 ~~(a) Home visiting and parent education and support programs;~~
4 ~~(b) The early achievers program described in RCW 43.216.085;~~
5 ~~(c) Integrated full-day and part-day high quality early learning~~
6 ~~programs; and~~

7 ~~(d) High quality preschool for children whose family income is at~~
8 ~~or below one hundred ten percent of the federal poverty level.~~

9 ~~((11))~~ (11) "Education data center" means the education data center
10 established in RCW 43.41.400, commonly referred to as the education
11 research and data center.

12 ~~((12))~~ (11) "Employer" means a person or business that engages
13 the services of one or more people, especially for wages or salary to
14 work in an agency.

15 ~~((13))~~ (12) "Enforcement action" means denial, suspension,
16 revocation, modification, or nonrenewal of a license pursuant to RCW
17 43.216.325(1) or assessment of civil monetary penalties pursuant to
18 RCW 43.216.325(3).

19 ~~((14))~~ (13) "Extended day program" means an early childhood
20 education and assistance program that offers early learning education
21 for at least ten hours per day, a minimum of two thousand hours per
22 year, at least four days per week, and operates year-round.

23 (14) "Family resource and referral linkage system" means a system
24 that connects families to resources, services, and programs for which
25 families are eligible and uses a database that is developed and
26 maintained in partnership with communities, health care providers,
27 and early learning providers.

28 (15) "Full day program" means an early childhood education and
29 assistance program that offers early learning education for a minimum
30 of one thousand hours per year.

31 (16) "Low-income child care provider" means a person who
32 administers a child care program that consists of at least eighty
33 percent of children receiving working connections child care subsidy.

34 (17) "Low-income neighborhood" means a district or community
35 where more than twenty percent of households are below the federal
36 poverty level.

37 (18) "Negative action" means a court order, court judgment, or an
38 adverse action taken by an agency, in any state, federal, tribal, or
39 foreign jurisdiction, which results in a finding against the
40 applicant reasonably related to the individual's character,

1 suitability, and competence to care for or have unsupervised access
2 to children in child care. This may include, but is not limited to:

3 (a) A decision issued by an administrative law judge;

4 (b) A final determination, decision, or finding made by an agency
5 following an investigation;

6 (c) An adverse agency action, including termination, revocation,
7 or denial of a license or certification, or if pending adverse agency
8 action, the voluntary surrender of a license, certification, or
9 contract in lieu of the adverse action;

10 (d) A revocation, denial, or restriction placed on any
11 professional license; or

12 (e) A final decision of a disciplinary board.

13 (19) "Nonconviction information" means arrest, founded
14 allegations of child abuse, or neglect pursuant to chapter 26.44 RCW,
15 or other negative action adverse to the applicant.

16 (20) "Nonschool age child" means a child who is age six years or
17 younger and who is not enrolled in a public or private school.

18 (21) "Part day program" means an early childhood education and
19 assistance program that offers early learning education for at least
20 two and one-half hours per class session, at least three hundred
21 twenty hours per year, for a minimum of thirty weeks per year.

22 (22) "Private school" means a private school approved by the
23 state under chapter 28A.195 RCW.

24 (23) "Probationary license" means a license issued as a
25 disciplinary measure to an agency that has previously been issued a
26 full license but is out of compliance with licensing standards.

27 (24) "Requirement" means any rule, regulation, or standard of
28 care to be maintained by an agency.

29 (25) "School age child" means a child who is five years of age
30 through (~~twelve~~) 13 years of age and is attending a public or
31 private school or is receiving home-based instruction under chapter
32 28A.200 RCW.

33 (26) "Secretary" means the secretary of the department.

34 (27) "Washington state preschool program" means an education
35 program for children three-to-five years of age who have not yet
36 entered kindergarten, such as the early childhood education and
37 assistance program.

38 **Sec. 502.** RCW 28B.50.248 and 2020 c 355 s 4 and 2020 c 279 s 3
39 are each reenacted and amended to read as follows:

1 Nothing in RCW 43.216.135(~~(r)~~) or 43.216.136(~~(r or 43.216.1365)~~)
2 requires a community or technical college to expand any of its
3 existing child care facilities. Any additional child care services
4 provided by a community or technical college as a result of RCW
5 43.216.135(~~(r)~~) or 43.216.136(~~(r or 43.216.1365)~~) must be provided
6 within existing resources and existing facilities.

7 **Sec. 503.** RCW 43.84.092 and 2020 c 354 s 11, 2020 c 221 s 5,
8 2020 c 103 s 7, and 2020 c 18 s 3 are each reenacted and amended to
9 read as follows:

10 (1) All earnings of investments of surplus balances in the state
11 treasury shall be deposited to the treasury income account, which
12 account is hereby established in the state treasury.

13 (2) The treasury income account shall be utilized to pay or
14 receive funds associated with federal programs as required by the
15 federal cash management improvement act of 1990. The treasury income
16 account is subject in all respects to chapter 43.88 RCW, but no
17 appropriation is required for refunds or allocations of interest
18 earnings required by the cash management improvement act. Refunds of
19 interest to the federal treasury required under the cash management
20 improvement act fall under RCW 43.88.180 and shall not require
21 appropriation. The office of financial management shall determine the
22 amounts due to or from the federal government pursuant to the cash
23 management improvement act. The office of financial management may
24 direct transfers of funds between accounts as deemed necessary to
25 implement the provisions of the cash management improvement act, and
26 this subsection. Refunds or allocations shall occur prior to the
27 distributions of earnings set forth in subsection (4) of this
28 section.

29 (3) Except for the provisions of RCW 43.84.160, the treasury
30 income account may be utilized for the payment of purchased banking
31 services on behalf of treasury funds including, but not limited to,
32 depository, safekeeping, and disbursement functions for the state
33 treasury and affected state agencies. The treasury income account is
34 subject in all respects to chapter 43.88 RCW, but no appropriation is
35 required for payments to financial institutions. Payments shall occur
36 prior to distribution of earnings set forth in subsection (4) of this
37 section.

38 (4) Monthly, the state treasurer shall distribute the earnings
39 credited to the treasury income account. The state treasurer shall

1 credit the general fund with all the earnings credited to the
2 treasury income account except:

3 (a) The following accounts and funds shall receive their
4 proportionate share of earnings based upon each account's and fund's
5 average daily balance for the period: The abandoned recreational
6 vehicle disposal account, the aeronautics account, the Alaskan Way
7 viaduct replacement project account, the ambulance transport fund,
8 the brownfield redevelopment trust fund account, the budget
9 stabilization account, the capital vessel replacement account, the
10 capitol building construction account, the Central Washington
11 University capital projects account, the charitable, educational,
12 penal and reformatory institutions account, the Chehalis basin
13 account, the Chehalis basin taxable account, the cleanup settlement
14 account, the Columbia river basin water supply development account,
15 the Columbia river basin taxable bond water supply development
16 account, the Columbia river basin water supply revenue recovery
17 account, the common school construction fund, the community forest
18 trust account, the connecting Washington account, the county arterial
19 preservation account, the county criminal justice assistance account,
20 the deferred compensation administrative account, the deferred
21 compensation principal account, the department of licensing services
22 account, the department of retirement systems expense account, the
23 developmental disabilities community (~~trust~~) services account, the
24 diesel idle reduction account, the drinking water assistance account,
25 the administrative subaccount of the drinking water assistance
26 account, the early learning facilities development account, the early
27 learning facilities revolving account, the Eastern Washington
28 University capital projects account, the education construction fund,
29 the education legacy trust account, the election account, the
30 electric vehicle account, the energy freedom account, the energy
31 recovery act account, the essential rail assistance account, The
32 Evergreen State College capital projects account, the fair start for
33 kids account, the ferry bond retirement fund, the freight mobility
34 investment account, the freight mobility multimodal account, the
35 grade crossing protective fund, the public health services account,
36 the state higher education construction account, the higher education
37 construction account, the higher education retirement plan
38 supplemental benefit fund, the highway bond retirement fund, the
39 highway infrastructure account, the highway safety fund, the hospital
40 safety net assessment fund, the Interstate 405 and state route number

1 167 express toll lanes account, the judges' retirement account, the
2 judicial retirement administrative account, the judicial retirement
3 principal account, the local leasehold excise tax account, the local
4 real estate excise tax account, the local sales and use tax account,
5 the marine resources stewardship trust account, the medical aid
6 account, the money-purchase retirement savings administrative
7 account, the money-purchase retirement savings principal account, the
8 motor vehicle fund, the motorcycle safety education account, the
9 multimodal transportation account, the multiuse roadway safety
10 account, the municipal criminal justice assistance account, the
11 oyster reserve land account, the pension funding stabilization
12 account, the perpetual surveillance and maintenance account, the
13 pilotage account, the pollution liability insurance agency
14 underground storage tank revolving account, the public employees'
15 retirement system plan 1 account, the public employees' retirement
16 system combined plan 2 and plan 3 account, the public facilities
17 construction loan revolving account, the public health supplemental
18 account, the public works assistance account, the Puget Sound capital
19 construction account, the Puget Sound ferry operations account, the
20 Puget Sound Gateway facility account, the Puget Sound taxpayer
21 accountability account, the real estate appraiser commission account,
22 the recreational vehicle account, the regional mobility grant program
23 account, the resource management cost account, the rural arterial
24 trust account, the rural mobility grant program account, the rural
25 Washington loan fund, the sexual assault prevention and response
26 account, the site closure account, the skilled nursing facility
27 safety net trust fund, the small city pavement and sidewalk account,
28 the special category C account, the special wildlife account, the
29 state investment board expense account, the state investment board
30 commingled trust fund accounts, the state patrol highway account, the
31 state reclamation revolving account, the state route number 520 civil
32 penalties account, the state route number 520 corridor account, the
33 state wildlife account, the statewide broadband account, the
34 statewide tourism marketing account, the supplemental pension
35 account, the Tacoma Narrows toll bridge account, the teachers'
36 retirement system plan 1 account, the teachers' retirement system
37 combined plan 2 and plan 3 account, the tobacco prevention and
38 control account, the tobacco settlement account, the toll facility
39 bond retirement account, the transportation 2003 account (nickel
40 account), the transportation equipment fund, the transportation

1 future funding program account, the transportation improvement
2 account, the transportation improvement board bond retirement
3 account, the transportation infrastructure account, the
4 transportation partnership account, the traumatic brain injury
5 account, the University of Washington bond retirement fund, the
6 University of Washington building account, the voluntary cleanup
7 account, the volunteer firefighters' and reserve officers' relief and
8 pension principal fund, the volunteer firefighters' and reserve
9 officers' administrative fund, the vulnerable roadway user education
10 account, the Washington judicial retirement system account, the
11 Washington law enforcement officers' and firefighters' system plan 1
12 retirement account, the Washington law enforcement officers' and
13 firefighters' system plan 2 retirement account, the Washington public
14 safety employees' plan 2 retirement account, the Washington school
15 employees' retirement system combined plan 2 and 3 account, the
16 Washington state patrol retirement account, the Washington State
17 University building account, the Washington State University bond
18 retirement fund, the water pollution control revolving administration
19 account, the water pollution control revolving fund, the Western
20 Washington University capital projects account, the Yakima integrated
21 plan implementation account, the Yakima integrated plan
22 implementation revenue recovery account, and the Yakima integrated
23 plan implementation taxable bond account. Earnings derived from
24 investing balances of the agricultural permanent fund, the normal
25 school permanent fund, the permanent common school fund, the
26 scientific permanent fund, and the state university permanent fund
27 shall be allocated to their respective beneficiary accounts.

28 (b) Any state agency that has independent authority over accounts
29 or funds not statutorily required to be held in the state treasury
30 that deposits funds into a fund or account in the state treasury
31 pursuant to an agreement with the office of the state treasurer shall
32 receive its proportionate share of earnings based upon each account's
33 or fund's average daily balance for the period.

34 (5) In conformance with Article II, section 37 of the state
35 Constitution, no treasury accounts or funds shall be allocated
36 earnings without the specific affirmative directive of this section.

37 **Sec. 504.** RCW 43.84.092 and 2020 c 354 s 11, 2020 c 221 s 5,
38 2020 c 148 s 3, 2020 c 103 s 7, and 2020 c 18 s 3 are each reenacted
39 and amended to read as follows:

1 (1) All earnings of investments of surplus balances in the state
2 treasury shall be deposited to the treasury income account, which
3 account is hereby established in the state treasury.

4 (2) The treasury income account shall be utilized to pay or
5 receive funds associated with federal programs as required by the
6 federal cash management improvement act of 1990. The treasury income
7 account is subject in all respects to chapter 43.88 RCW, but no
8 appropriation is required for refunds or allocations of interest
9 earnings required by the cash management improvement act. Refunds of
10 interest to the federal treasury required under the cash management
11 improvement act fall under RCW 43.88.180 and shall not require
12 appropriation. The office of financial management shall determine the
13 amounts due to or from the federal government pursuant to the cash
14 management improvement act. The office of financial management may
15 direct transfers of funds between accounts as deemed necessary to
16 implement the provisions of the cash management improvement act, and
17 this subsection. Refunds or allocations shall occur prior to the
18 distributions of earnings set forth in subsection (4) of this
19 section.

20 (3) Except for the provisions of RCW 43.84.160, the treasury
21 income account may be utilized for the payment of purchased banking
22 services on behalf of treasury funds including, but not limited to,
23 depository, safekeeping, and disbursement functions for the state
24 treasury and affected state agencies. The treasury income account is
25 subject in all respects to chapter 43.88 RCW, but no appropriation is
26 required for payments to financial institutions. Payments shall occur
27 prior to distribution of earnings set forth in subsection (4) of this
28 section.

29 (4) Monthly, the state treasurer shall distribute the earnings
30 credited to the treasury income account. The state treasurer shall
31 credit the general fund with all the earnings credited to the
32 treasury income account except:

33 (a) The following accounts and funds shall receive their
34 proportionate share of earnings based upon each account's and fund's
35 average daily balance for the period: The abandoned recreational
36 vehicle disposal account, the aeronautics account, the Alaskan Way
37 viaduct replacement project account, the ambulance transport fund,
38 the brownfield redevelopment trust fund account, the budget
39 stabilization account, the capital vessel replacement account, the
40 capitol building construction account, the Central Washington

1 University capital projects account, the charitable, educational,
2 penal and reformatory institutions account, the Chehalis basin
3 account, the Chehalis basin taxable account, the cleanup settlement
4 account, the Columbia river basin water supply development account,
5 the Columbia river basin taxable bond water supply development
6 account, the Columbia river basin water supply revenue recovery
7 account, the common school construction fund, the community forest
8 trust account, the connecting Washington account, the county arterial
9 preservation account, the county criminal justice assistance account,
10 the deferred compensation administrative account, the deferred
11 compensation principal account, the department of licensing services
12 account, the department of retirement systems expense account, the
13 developmental disabilities community (~~trust~~) services account, the
14 diesel idle reduction account, the drinking water assistance account,
15 the administrative subaccount of the drinking water assistance
16 account, the early learning facilities development account, the early
17 learning facilities revolving account, the Eastern Washington
18 University capital projects account, the education construction fund,
19 the education legacy trust account, the election account, the
20 electric vehicle account, the energy freedom account, the energy
21 recovery act account, the essential rail assistance account, The
22 Evergreen State College capital projects account, the fair start for
23 kids account, the ferry bond retirement fund, the fish, wildlife, and
24 conservation account, the freight mobility investment account, the
25 freight mobility multimodal account, the grade crossing protective
26 fund, the public health services account, the state higher education
27 construction account, the higher education construction account, the
28 higher education retirement plan supplemental benefit fund, the
29 highway bond retirement fund, the highway infrastructure account, the
30 highway safety fund, the hospital safety net assessment fund, the
31 Interstate 405 and state route number 167 express toll lanes account,
32 the judges' retirement account, the judicial retirement
33 administrative account, the judicial retirement principal account,
34 the limited fish and wildlife account, the local leasehold excise tax
35 account, the local real estate excise tax account, the local sales
36 and use tax account, the marine resources stewardship trust account,
37 the medical aid account, the money-purchase retirement savings
38 administrative account, the money-purchase retirement savings
39 principal account, the motor vehicle fund, the motorcycle safety
40 education account, the multimodal transportation account, the

1 multiuse roadway safety account, the municipal criminal justice
2 assistance account, the oyster reserve land account, the pension
3 funding stabilization account, the perpetual surveillance and
4 maintenance account, the pilotage account, the pollution liability
5 insurance agency underground storage tank revolving account, the
6 public employees' retirement system plan 1 account, the public
7 employees' retirement system combined plan 2 and plan 3 account, the
8 public facilities construction loan revolving account, the public
9 health supplemental account, the public works assistance account, the
10 Puget Sound capital construction account, the Puget Sound ferry
11 operations account, the Puget Sound Gateway facility account, the
12 Puget Sound taxpayer accountability account, the real estate
13 appraiser commission account, the recreational vehicle account, the
14 regional mobility grant program account, the resource management cost
15 account, the rural arterial trust account, the rural mobility grant
16 program account, the rural Washington loan fund, the sexual assault
17 prevention and response account, the site closure account, the
18 skilled nursing facility safety net trust fund, the small city
19 pavement and sidewalk account, the special category C account, the
20 special wildlife account, the state investment board expense account,
21 the state investment board commingled trust fund accounts, the state
22 patrol highway account, the state reclamation revolving account, the
23 state route number 520 civil penalties account, the state route
24 number 520 corridor account, the statewide broadband account, the
25 statewide tourism marketing account, the supplemental pension
26 account, the Tacoma Narrows toll bridge account, the teachers'
27 retirement system plan 1 account, the teachers' retirement system
28 combined plan 2 and plan 3 account, the tobacco prevention and
29 control account, the tobacco settlement account, the toll facility
30 bond retirement account, the transportation 2003 account (nickel
31 account), the transportation equipment fund, the transportation
32 future funding program account, the transportation improvement
33 account, the transportation improvement board bond retirement
34 account, the transportation infrastructure account, the
35 transportation partnership account, the traumatic brain injury
36 account, the University of Washington bond retirement fund, the
37 University of Washington building account, the voluntary cleanup
38 account, the volunteer firefighters' and reserve officers' relief and
39 pension principal fund, the volunteer firefighters' and reserve
40 officers' administrative fund, the vulnerable roadway user education

1 account, the Washington judicial retirement system account, the
2 Washington law enforcement officers' and firefighters' system plan 1
3 retirement account, the Washington law enforcement officers' and
4 firefighters' system plan 2 retirement account, the Washington public
5 safety employees' plan 2 retirement account, the Washington school
6 employees' retirement system combined plan 2 and 3 account, the
7 Washington state patrol retirement account, the Washington State
8 University building account, the Washington State University bond
9 retirement fund, the water pollution control revolving administration
10 account, the water pollution control revolving fund, the Western
11 Washington University capital projects account, the Yakima integrated
12 plan implementation account, the Yakima integrated plan
13 implementation revenue recovery account, and the Yakima integrated
14 plan implementation taxable bond account. Earnings derived from
15 investing balances of the agricultural permanent fund, the normal
16 school permanent fund, the permanent common school fund, the
17 scientific permanent fund, and the state university permanent fund
18 shall be allocated to their respective beneficiary accounts.

19 (b) Any state agency that has independent authority over accounts
20 or funds not statutorily required to be held in the state treasury
21 that deposits funds into a fund or account in the state treasury
22 pursuant to an agreement with the office of the state treasurer shall
23 receive its proportionate share of earnings based upon each account's
24 or fund's average daily balance for the period.

25 (5) In conformance with Article II, section 37 of the state
26 Constitution, no treasury accounts or funds shall be allocated
27 earnings without the specific affirmative directive of this section.

28 **Sec. 505.** RCW 43.84.092 and 2020 c 221 s 5, 2020 c 148 s 3, 2020
29 c 103 s 7, and 2020 c 18 s 3 are each reenacted and amended to read
30 as follows:

31 (1) All earnings of investments of surplus balances in the state
32 treasury shall be deposited to the treasury income account, which
33 account is hereby established in the state treasury.

34 (2) The treasury income account shall be utilized to pay or
35 receive funds associated with federal programs as required by the
36 federal cash management improvement act of 1990. The treasury income
37 account is subject in all respects to chapter 43.88 RCW, but no
38 appropriation is required for refunds or allocations of interest
39 earnings required by the cash management improvement act. Refunds of

1 interest to the federal treasury required under the cash management
2 improvement act fall under RCW 43.88.180 and shall not require
3 appropriation. The office of financial management shall determine the
4 amounts due to or from the federal government pursuant to the cash
5 management improvement act. The office of financial management may
6 direct transfers of funds between accounts as deemed necessary to
7 implement the provisions of the cash management improvement act, and
8 this subsection. Refunds or allocations shall occur prior to the
9 distributions of earnings set forth in subsection (4) of this
10 section.

11 (3) Except for the provisions of RCW 43.84.160, the treasury
12 income account may be utilized for the payment of purchased banking
13 services on behalf of treasury funds including, but not limited to,
14 depository, safekeeping, and disbursement functions for the state
15 treasury and affected state agencies. The treasury income account is
16 subject in all respects to chapter 43.88 RCW, but no appropriation is
17 required for payments to financial institutions. Payments shall occur
18 prior to distribution of earnings set forth in subsection (4) of this
19 section.

20 (4) Monthly, the state treasurer shall distribute the earnings
21 credited to the treasury income account. The state treasurer shall
22 credit the general fund with all the earnings credited to the
23 treasury income account except:

24 (a) The following accounts and funds shall receive their
25 proportionate share of earnings based upon each account's and fund's
26 average daily balance for the period: The abandoned recreational
27 vehicle disposal account, the aeronautics account, the Alaskan Way
28 viaduct replacement project account, the brownfield redevelopment
29 trust fund account, the budget stabilization account, the capital
30 vessel replacement account, the capitol building construction
31 account, the Central Washington University capital projects account,
32 the charitable, educational, penal and reformatory institutions
33 account, the Chehalis basin account, the Chehalis basin taxable
34 account, the cleanup settlement account, the Columbia river basin
35 water supply development account, the Columbia river basin taxable
36 bond water supply development account, the Columbia river basin water
37 supply revenue recovery account, the common school construction fund,
38 the community forest trust account, the connecting Washington
39 account, the county arterial preservation account, the county
40 criminal justice assistance account, the deferred compensation

1 administrative account, the deferred compensation principal account,
2 the department of licensing services account, the department of
3 retirement systems expense account, the developmental disabilities
4 community (~~trust~~) services account, the diesel idle reduction
5 account, the drinking water assistance account, the administrative
6 subaccount of the drinking water assistance account, the early
7 learning facilities development account, the early learning
8 facilities revolving account, the Eastern Washington University
9 capital projects account, the education construction fund, the
10 education legacy trust account, the election account, the electric
11 vehicle account, the energy freedom account, the energy recovery act
12 account, the essential rail assistance account, The Evergreen State
13 College capital projects account, the fair start for kids account,
14 the ferry bond retirement fund, the fish, wildlife, and conservation
15 account, the freight mobility investment account, the freight
16 mobility multimodal account, the grade crossing protective fund, the
17 public health services account, the state higher education
18 construction account, the higher education construction account, the
19 higher education retirement plan supplemental benefit fund, the
20 highway bond retirement fund, the highway infrastructure account, the
21 highway safety fund, the hospital safety net assessment fund, the
22 Interstate 405 and state route number 167 express toll lanes account,
23 the judges' retirement account, the judicial retirement
24 administrative account, the judicial retirement principal account,
25 the limited fish and wildlife account, the local leasehold excise tax
26 account, the local real estate excise tax account, the local sales
27 and use tax account, the marine resources stewardship trust account,
28 the medical aid account, the money-purchase retirement savings
29 administrative account, the money-purchase retirement savings
30 principal account, the motor vehicle fund, the motorcycle safety
31 education account, the multimodal transportation account, the
32 multiuse roadway safety account, the municipal criminal justice
33 assistance account, the oyster reserve land account, the pension
34 funding stabilization account, the perpetual surveillance and
35 maintenance account, the pilotage account, the pollution liability
36 insurance agency underground storage tank revolving account, the
37 public employees' retirement system plan 1 account, the public
38 employees' retirement system combined plan 2 and plan 3 account, the
39 public facilities construction loan revolving account, the public
40 health supplemental account, the public works assistance account, the

1 Puget Sound capital construction account, the Puget Sound ferry
2 operations account, the Puget Sound Gateway facility account, the
3 Puget Sound taxpayer accountability account, the real estate
4 appraiser commission account, the recreational vehicle account, the
5 regional mobility grant program account, the resource management cost
6 account, the rural arterial trust account, the rural mobility grant
7 program account, the rural Washington loan fund, the sexual assault
8 prevention and response account, the site closure account, the
9 skilled nursing facility safety net trust fund, the small city
10 pavement and sidewalk account, the special category C account, the
11 special wildlife account, the state investment board expense account,
12 the state investment board commingled trust fund accounts, the state
13 patrol highway account, the state reclamation revolving account, the
14 state route number 520 civil penalties account, the state route
15 number 520 corridor account, the statewide broadband account, the
16 statewide tourism marketing account, the supplemental pension
17 account, the Tacoma Narrows toll bridge account, the teachers'
18 retirement system plan 1 account, the teachers' retirement system
19 combined plan 2 and plan 3 account, the tobacco prevention and
20 control account, the tobacco settlement account, the toll facility
21 bond retirement account, the transportation 2003 account (nickel
22 account), the transportation equipment fund, the transportation
23 future funding program account, the transportation improvement
24 account, the transportation improvement board bond retirement
25 account, the transportation infrastructure account, the
26 transportation partnership account, the traumatic brain injury
27 account, the University of Washington bond retirement fund, the
28 University of Washington building account, the voluntary cleanup
29 account, the volunteer firefighters' and reserve officers' relief and
30 pension principal fund, the volunteer firefighters' and reserve
31 officers' administrative fund, the vulnerable roadway user education
32 account, the Washington judicial retirement system account, the
33 Washington law enforcement officers' and firefighters' system plan 1
34 retirement account, the Washington law enforcement officers' and
35 firefighters' system plan 2 retirement account, the Washington public
36 safety employees' plan 2 retirement account, the Washington school
37 employees' retirement system combined plan 2 and 3 account, the
38 Washington state patrol retirement account, the Washington State
39 University building account, the Washington State University bond
40 retirement fund, the water pollution control revolving administration

1 account, the water pollution control revolving fund, the Western
2 Washington University capital projects account, the Yakima integrated
3 plan implementation account, the Yakima integrated plan
4 implementation revenue recovery account, and the Yakima integrated
5 plan implementation taxable bond account. Earnings derived from
6 investing balances of the agricultural permanent fund, the normal
7 school permanent fund, the permanent common school fund, the
8 scientific permanent fund, and the state university permanent fund
9 shall be allocated to their respective beneficiary accounts.

10 (b) Any state agency that has independent authority over accounts
11 or funds not statutorily required to be held in the state treasury
12 that deposits funds into a fund or account in the state treasury
13 pursuant to an agreement with the office of the state treasurer shall
14 receive its proportionate share of earnings based upon each account's
15 or fund's average daily balance for the period.

16 (5) In conformance with Article II, section 37 of the state
17 Constitution, no treasury accounts or funds shall be allocated
18 earnings without the specific affirmative directive of this section.

19 **Sec. 506.** RCW 43.216.710 and 2017 3rd sp.s. c 6 s 213 are each
20 amended to read as follows:

21 The department shall:

22 (1) Work in conjunction with the statewide child care resource
23 and referral network as well as local governments, nonprofit
24 organizations, businesses, and community child care advocates to
25 create local child care resource and referral organizations. These
26 organizations may carry out needs assessments, resource development,
27 provider training, technical assistance, and parent information and
28 training;

29 (2) Actively seek public and private money for distribution as
30 grants to the statewide child care resource and referral network and
31 to existing or potential local child care resource and referral
32 organizations;

33 (3) Adopt rules regarding the application for and distribution of
34 grants to local child care resource and referral organizations. The
35 rules shall, at a minimum, require an applicant to submit a plan for
36 achieving the following objectives:

37 (a) Provide parents with information about child care resources,
38 including location of services and subsidies;

- 1 (b) Carry out child care provider recruitment and training
2 programs, including training under RCW 74.25.040;
- 3 (c) Offer support services, such as parent and provider seminars,
4 toy-lending libraries, and substitute banks;
- 5 (d) Provide information for businesses regarding child care
6 supply and demand;
- 7 (e) Advocate for increased public and private sector resources
8 devoted to child care;
- 9 (f) Provide technical assistance to employers regarding employee
10 child care services; and
- 11 (g) Serve recipients of temporary assistance for needy families
12 and working parents with household incomes at or below (~~household~~
13 ~~incomes of two hundred~~) 100 percent of the (~~federal poverty line~~)
14 state median income;
- 15 (4) Provide staff support and technical assistance to the
16 statewide child care resource and referral network and local child
17 care resource and referral organizations;
- 18 (5) Maintain a statewide child care licensing data bank and work
19 with department licensors to provide information to local child care
20 resource and referral organizations about licensed or certified child
21 care providers in the state;
- 22 (6) Through the statewide child care resource and referral
23 network and local resource and referral organizations, compile data
24 about local child care needs and availability for future planning and
25 development;
- 26 (7) Coordinate with the statewide child care resource and
27 referral network and local child care resource and referral
28 organizations for the provision of training and technical assistance
29 to child care providers;
- 30 (8) Collect and assemble information regarding the availability
31 of insurance and of federal and other child care funding to assist
32 state and local agencies, businesses, and other child care providers
33 in offering child care services;
- 34 (9) Subject to the availability of amounts appropriated for this
35 specific purpose, increase the base rate for all child care providers
36 by ten percent;
- 37 (10) Subject to the availability of amounts appropriated for this
38 specific purpose, provide tiered subsidy rate enhancements to child
39 care providers if the provider meets the following requirements:

1 (a) The provider enrolls in quality rating and improvement system
2 levels 2, 3, 4, or 5;

3 (b) The provider is actively participating in the early achievers
4 program;

5 (c) The provider continues to advance towards level 5 of the
6 early achievers program; and

7 (d) The provider must complete level 2 within thirty months or
8 the reimbursement rate returns the level 1 rate; and

9 (11) Require exempt providers to participate in continuing
10 education, if adequate funding is available.

11 **Sec. 507.** RCW 43.216.514 and 2020 c 343 s 3 are each amended to
12 read as follows:

13 (1)(a) The department shall prioritize children for enrollment in
14 the early childhood education and assistance program who are eligible
15 pursuant to RCW 43.216.505.

16 (b) A child who is eligible at the time of enrollment in the
17 early childhood education and assistance program maintains program
18 eligibility until the child begins kindergarten.

19 (2) As space is available, children may be included in the early
20 childhood education and assistance program pursuant to RCW
21 43.216.512. (~~Priority within this group must be given first to~~
22 ~~children with incomes up to one hundred thirty percent of the federal~~
23 ~~poverty level.))~~

24 **Sec. 508.** RCW 43.216.136 and 2020 c 279 s 2 are each amended to
25 read as follows:

26 (1) The department shall establish and implement policies in the
27 working connections child care program to promote stability and
28 quality of care for children from low-income households. These
29 policies shall focus on supporting school readiness for young
30 learners. Policies for the expenditure of funds constituting the
31 working connections child care program must be consistent with the
32 outcome measures established by the department and the standards
33 established in this section intended to promote stability, quality,
34 and continuity of early care and education programming.

35 (2) As recommended by P.L. 113-186, authorizations for the
36 working connections child care subsidy are effective for twelve
37 months beginning July 1, 2016(~~, unless an earlier date is provided~~
38 ~~in the omnibus appropriations act)).~~

1 (a) A household's 12-month authorization must begin on the date
2 that child care is expected to begin.

3 (b) If a newly eligible household does not begin care within 12
4 months of being determined eligible by the department, the household
5 must reapply in order to qualify for subsidy.

6 (3) (a) The department shall establish and implement policies in
7 the working connections child care program to allow eligibility for
8 families with children who:

9 (i) In the last six months have:

10 (A) Received child protective services as defined and used by
11 chapters 26.44 and 74.13 RCW;

12 (B) Received child welfare services as defined and used by
13 chapter 74.13 RCW; or

14 (C) Received services through a family assessment response as
15 defined and used by chapter 26.44 RCW;

16 (ii) Have been referred for child care as part of the family's
17 case management as defined by RCW 74.13.020; and

18 (iii) Are residing with a biological parent or guardian.

19 (b) (~~Children~~) Families who are eligible for working
20 connections child care pursuant to this subsection do not have to
21 keep receiving services identified in this subsection to maintain
22 twelve-month authorization.

23 (4) (a) Beginning August 1, 2020, the department may not require
24 an applicant or consumer to meet work requirements as a condition of
25 receiving working connections child care benefits when the applicant
26 or consumer is:

27 (i) A single parent;

28 (ii) A full-time student of a community, technical, or tribal
29 college; and

30 (iii) Pursuing vocational education that leads to a degree or
31 certificate in a specific occupation, not to result in a bachelor's
32 or advanced degree.

33 (b) An applicant or consumer is a full-time student for the
34 purposes of this subsection if he or she meets the college's
35 definition of a full-time student. The student must maintain passing
36 grades and be in good standing pursuant to college attendance
37 requirements.

38 (c) Nothing in this subsection is intended to change how
39 applicants or consumers are prioritized when applicants or consumers
40 are placed on a waitlist for working connections child care benefits.

1 (5) (a) The department must extend the homeless grace period, as
2 adopted in department rule as of January 1, 2020, from a four-month
3 grace period to a twelve-month grace period.

4 (b) For the purposes of this section, "homeless" means being
5 without a fixed, regular, and adequate nighttime residence as
6 described in the federal McKinney-Vento homeless assistance act (42
7 U.S.C. Sec. 11434a) as it existed on January 1, 2020.

8 (6) For purposes of this section, "authorization" means a
9 transaction created by the department that allows a child care
10 provider to claim payment for care. The department may adjust an
11 authorization based on a household's eligibility status.

12 **PART VI**
13 **MISCELLANEOUS**

14 NEW SECTION. **Sec. 601.** RCW 43.216.1365 (Working connections
15 child care program—Eligibility) and 2020 c 355 s 3 are each repealed.

16 NEW SECTION. **Sec. 602.** If any part of this act is found to be
17 in conflict with federal requirements that are a prescribed condition
18 to the allocation of federal funds to the state, the conflicting part
19 of this act is inoperative solely to the extent of the conflict and
20 with respect to the agencies directly affected, and this finding does
21 not affect the operation of the remainder of this act in its
22 application to the agencies concerned. Rules adopted under this act
23 must meet federal requirements that are a necessary condition to the
24 receipt of federal funds by the state.

25 NEW SECTION. **Sec. 603.** Section 202 of this act takes effect
26 July 1, 2023.

27 NEW SECTION. **Sec. 604.** Sections 204 through 206 and 403 of this
28 act take effect July 1, 2026.

29 NEW SECTION. **Sec. 605.** Section 508 of this act expires July 1,
30 2023.

31 NEW SECTION. **Sec. 606.** Sections 101, 103, 201, 206, 207, 302
32 through 307, 309, 311, 312, 402, 404, and 405 of this act are each
33 added to chapter 43.216 RCW.

1 NEW SECTION. **Sec. 607.** Section 503 of this act expires July 1,
2 2021.

3 NEW SECTION. **Sec. 608.** Section 504 of this act is necessary for
4 the immediate preservation of the public peace, health, or safety, or
5 support of the state government and its existing public institutions,
6 and takes effect July 1, 2021.

7 NEW SECTION. **Sec. 609.** Section 504 of this act expires July 1,
8 2024.

9 NEW SECTION. **Sec. 610.** Section 505 of this act takes effect
10 July 1, 2024.

11 NEW SECTION. **Sec. 611.** Section 503 of this act is necessary for
12 the immediate preservation of the public peace, health, or safety, or
13 support of the state government and its existing public institutions,
14 and takes effect immediately.

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