

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2195

Chapter 230, Laws of 2024

68th Legislature
2024 Regular Session

EARLY LEARNING FACILITIES GRANT AND LOAN PROGRAM—MODIFICATION

EFFECTIVE DATE: June 6, 2024—Except for section 1, which takes effect July 1, 2025.

Passed by the House March 5, 2024
Yeas 95 Nays 0

LAURIE JINKINS

**Speaker of the House of
Representatives**

Passed by the Senate March 1, 2024
Yeas 30 Nays 19

DENNY HECK

President of the Senate

Approved March 25, 2024 1:45 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2195** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

March 26, 2024

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2195

AS AMENDED BY THE SENATE

Passed Legislature - 2024 Regular Session

State of Washington 68th Legislature 2024 Regular Session

By House Capital Budget (originally sponsored by Representatives Callan, Eslick, Senn, Chopp, Ramel, Paul, Reeves, Ormsby, Hackney, Reed, Fosse, Doglio, Goodman, and Davis)

READ FIRST TIME 02/05/24.

1 AN ACT Relating to strengthening the early learning facilities
2 grant and loan program by revising criteria and providing resources
3 to the Ruth LeCocq Kagi early learning facilities development
4 account; amending RCW 43.31.577 and 43.31.575; adding a new section
5 to chapter 43.31 RCW; and providing an effective date.

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

7 **Sec. 1.** RCW 43.31.577 and 2023 c 474 s 8031 are each amended to
8 read as follows:

9 (1) Activities eligible for funding through the early learning
10 facilities grant and loan program for eligible organizations include:

11 (a) Facility predesign grants or loans (~~of no more than~~
12 ~~\$20,000~~) to allow eligible organizations to secure professional
13 services or consult with organizations certified by the community
14 development financial institutions fund to plan for and assess the
15 feasibility of early learning facilities projects or receive other
16 technical assistance to design and develop projects for construction
17 funding;

18 (b) Grants or loans (~~of no more than \$200,000 for minor~~
19 ~~renovations or repairs of existing early learning facilities or~~) for
20 predevelopment activities to advance a proposal from planning to
21 major construction or renovation;

1 (c) Grants or loans for renovations or repairs of existing early
2 learning facilities;

3 (d) Major construction and renovation grants or loans and grants
4 or loans for facility purchases (~~(of no more than \$1,000,000)~~) to
5 create or expand early learning facilities(~~(, except that during the~~
6 ~~2023-2025 fiscal biennium these grants or loans may not exceed~~
7 ~~\$2,500,000))~~; and

8 (~~(d)~~) (e) Administration costs associated with conducting
9 application processes, managing contracts, translation services, and
10 providing technical assistance.

11 (2) For grants or loans awarded under subsection (1)(c) and (d)
12 of this section, the department must prioritize applications for
13 facilities that are ready for construction.

14 (3) Activities eligible for funding through the early learning
15 facilities grant and loan program for school districts include major
16 construction, purchase, and renovation grants or loans (~~(of no more~~
17 ~~than \$1,000,000)~~) to create or expand early learning facilities that
18 received priority and ranking as described in RCW 43.31.581.

19 (~~(3) Amounts in this section must be increased annually by the~~
20 ~~United States implicit price deflator for state and local government~~
21 ~~construction provided by the office of financial management.)~~)

22 NEW SECTION. Sec. 2. A new section is added to chapter 43.31
23 RCW to read as follows:

24 For early learning facilities collocated with affordable or
25 supportive housing developments, the department may remit state
26 funding on a reimbursement basis for 90 percent of eligible project
27 costs, regardless of the project's match amount, once the nonstate
28 share of project costs have been either expended or firmly committed
29 in an amount sufficient to complete the entire project or a distinct
30 phase of the project that is useable to the public as an early
31 learning facility. Eligible housing developments are projects that
32 have received public funding and have secured enough funding to
33 complete construction of the project that will result in a
34 certificate of occupancy to open the affordable housing development,
35 including the early learning facility.

36 **Sec. 3.** RCW 43.31.575 and 2021 c 130 s 2 are each amended to
37 read as follows:

1 (1) Organizations eligible to receive funding from the early
2 learning facilities grant and loan program include:

3 (a) Early childhood education and assistance program providers;

4 (b) Working connections child care providers who are eligible to
5 receive state subsidies;

6 (c) Licensed early learning centers not currently participating
7 in the early childhood education and assistance program, but
8 intending to do so;

9 (d) Developers of housing and community facilities;

10 (e) Community and technical colleges;

11 (f) Educational service districts;

12 (g) Local governments;

13 (h) Federally recognized tribes in the state; and

14 (i) Religiously affiliated entities.

15 (2) To be eligible to receive funding from the early learning
16 facilities grant and loan program for activities described in RCW
17 43.31.577 (1) (b), (c), and ~~((e))~~ (d) and (2), eligible
18 organizations and school districts must:

19 (a) Commit to being an active participant in good standing with
20 the early achievers program as defined by chapter 43.216 RCW; and

21 (b) Demonstrate that projects receiving construction, purchase,
22 or renovation grants or loans must also:

23 (i) Demonstrate that the project site is under the applicant's
24 control for a minimum of ten years, either through ownership or a
25 long-term lease; and

26 (ii) Commit to using the facility funded by the grant or loan for
27 the purposes of providing preschool or child care for a minimum of
28 ten years.

29 (3) To be eligible to receive funding from the early learning
30 facilities grant and loan program for activities described in RCW
31 43.31.577 (1) (b), (c), and ~~((e))~~ (d) and (2), religiously
32 affiliated entities must use the facility to provide child care and
33 education services consistent with subsection (4) (a) of this section.

34 (4) (a) Upon receiving a grant or loan, the recipient must
35 continue to be an active participant and in good standing with the
36 early achievers program.

37 (b) If the recipient does not meet the conditions specified in
38 (a) of this subsection, the grants shall be repaid to the early
39 learning facilities revolving account or the early learning
40 facilities development account, as directed by the department. So

1 long as an eligible organization continues to provide an early
2 learning program in the facility, the facility is used as authorized,
3 and the eligible organization continues to be an active participant
4 and in good standing with the early achievers program, the grant
5 repayment is waived.

6 (c) The department, in consultation with the department of
7 children, youth, and families, (~~must~~) may adopt rules to implement
8 this section.

9 NEW SECTION. **Sec. 4.** If any provision of this act or its
10 application to any person or circumstance is held invalid, the
11 remainder of the act or the application of the provision to other
12 persons or circumstances is not affected.

13 NEW SECTION. **Sec. 5.** Section 1 of this act takes effect July 1,
14 2025.

Passed by the House March 5, 2024.
Passed by the Senate March 1, 2024.
Approved by the Governor March 25, 2024.
Filed in Office of Secretary of State March 26, 2024.

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