

HOUSE BILL REPORT

HB 1314

As Reported by House Committee On:
Capital Budget

Title: An act relating to the early learning facilities grant and loan program.

Brief Description: Concerning the early learning facilities grant and loan program.

Sponsors: Representatives Callan, Abbarno, Fosse, Davis, Waters, Reed, Salahuddin, Tharinger, Nance, Eslick and Doglio.

Brief History:

Committee Activity:

Capital Budget: 1/30/25, 2/6/25 [DP].

Brief Summary of Bill

- Amends competitive criteria for project selection for Early Learning Facilities Program funding.
- Establishes emergency grants to be awarded on an ongoing basis from the Early Learning Facilities Revolving Account.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 19 members: Representatives Tharinger, Chair; Callan, Vice Chair; Steele, Ranking Minority Member; Abbarno, Assistant Ranking Minority Member; McClintock, Assistant Ranking Minority Member; Barnard, Davis, Dye, Eslick, Fosse, Hill, Leavitt, Morgan, Rule, Salahuddin, Stearns, Walsh, Waters and Zahn.

Staff: Dawn Eychaner (786-7135).

Background:

The Department of Commerce (Commerce) administers the Early Learning Facilities (ELF)

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program, which provides grants and loans to eligible organizations to plan, renovate, purchase, and construct early learning facilities. Eligible organizations include providers of Working Connections Child Care (WCCC), Early Childhood Education and Assistance Program (ECEAP) contractors, developers of housing and community facilities, community and technical colleges, educational service districts, local governments, federally recognized tribes, and religiously affiliated entities. School districts may also receive grants or loans to purchase, construct, or renovate early learning classrooms.

Generally, state funding for capital projects is to be disbursed in proportion to nonstate matching funds. However, early learning facilities collocated with affordable or supporting housing developments may receive state funding for up to 90 percent of the project cost, regardless of the proportionate match amount.

Projects are selected for funding according to prioritization criteria established by a committee of early learning experts. Included among the competitive criteria are projects that add part-day, full-day, or extended day ECEAP slots with the highest unmet need. The amount of resources matched by a project is also a competitive criterion.

Accounts.

The ELF program is funded from the Ruth LeCocq Kagi Early Learning Facilities Revolving Account (Revolving Account) and the Ruth LeCocq Kagi Early Learning Facilities Development (Development Account). Commerce contracts with a nongovernmental private-public partnership (PPP) certified by the community development financial institutions to administer grants and loans through the Revolving Account. The PPP must demonstrate an ability to raise funding from private and other public entities for early learning facilities construction projects.

Early Childhood Education and Assistance Program.

ECEAP is a voluntary preschool program administered by the Department of Children, Youth, and Families serving eligible 3- to 5-year-old children who are not age-eligible for kindergarten. The program must offer a comprehensive program that includes education, health, and family support services. ECEAP offers part-day, full-day, and extended day programming. Current law provides for ECEAP to become an entitlement in the 2026-27 school year for eligible children.

Tribal Compact Schools.

State-tribal education compact schools are public schools that are governed and operated according to the terms of a compact negotiated between the tribal governing body and the Office of the Superintendent of Public Instruction.

Summary of Bill:

The Department of Commerce (Commerce) is encouraged to leverage matching funds when

feasible, and may not require match from an applicant experiencing financial hardship. Commerce may not consider the level of project match as a competitive criterion for selecting or recommending projects for funding.

Early Learning Facilities (ELF) funding eligibility is expanded to include:

- tribal compact schools;
- projects that increase the Early Childhood Education and Assistance Program (ECEAP) capacity by converting slots from part day to full day or extended day, or converting full day to extended day; and
- emergency project grants.

Commerce is directed to contract with one or more nongovernmental private-public partnership (PPP) to award and administer emergency project grants on an ongoing basis, subject to funding appropriated for this purpose. An emergency project is defined as a project made necessary by a natural disaster or another immediate health or safety threat resulting from unforeseen circumstances. Emergency projects may include improvements to early learning facilities that are necessary to restore a safe and healthy learning environment, preserve existing capacity, or to mitigate situations that obstruct children's access to early learning. The PPP must ensure emergency grants do not duplicate payment from insurance proceeds or any other source and may receive administrative funding for program management and technical assistance.

Commerce is authorized to adopt rules to implement the ELF program.

Technical changes are made to reorganize content and update statutory references.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Child care is essential to families and employers in the state. The Early Learning Facilities (ELF) program has established more than 18,000 early learning slots across the state to meet demand. The Early Childhood Education and Assistance Program (ECEAP) providers and child advocacy organizations have brought forward these recommendations, including the establishment of an ongoing emergency grant program, administered by the Washington Early Learning Loan Fund (WELL), to help providers deal with unforeseen emergencies. Lessening the burden of costs on child care providers by removing the required match as a barrier will help support providers. Including tribal

compact schools as eligible entities remedies an oversight in the original bill. The WELL that was awarded the contract through a competitive process is expected to be able to administer the emergency fund and a separate competitive process will not be needed. Having a safe classroom is critical for child development and the ECEAP's support through the ELF has enabled the construction and renovation of many classrooms. The ongoing effort to convert slots from part-day to full-day is driving a need for additional classroom space. The current program does not allow conversion of ECEAP slots to be eligible for ELF funds, which would be remedied under this bill. A predevelopment grant from ELF helps jumpstart construction projects. Providers have to sign promissory notes to commit their savings if they do not meet the match requirements. Projects cannot be completed on reasonable timelines without ELF funds but the match requirement is a barrier.

(Opposed) None.

(Other) The Department of Commerce (Commerce) wants to be an efficient administrator for these funds and appreciates the partnerships built so far in the program. Commerce has had a history of setting up emergency grant programs in the past, including drinking water and behavioral health closure emergency grants, and hopes that experience can be helpful. There will be some start up costs associated with getting the emergency grants going. The match has become more of a goal in the ELF program rather than a hard requirement. The ELF program uses match as a tool to assess project readiness and there are some instances where match can be helpful.

Persons Testifying: (In support) Representative Lisa Callan, prime sponsor; Erica Hallock, Start Early Washington; Julie German-Murrey, Rosalie Murrey Memorial Foundation ; and Melissa Johnson, Washington State Association of Head Start & ECEAP.

(Other) Dave Pringle, Dept. of Commerce.

Persons Signed In To Testify But Not Testifying: None.