
SUBSTITUTE HOUSE BILL 1213

State of Washington

67th Legislature

2021 Regular Session

By House Children, Youth & Families (originally sponsored by Representatives Senn, Chopp, Ramos, Bateman, Sells, Shewmake, Lekanoff, Peterson, Stonier, Duerr, Fitzgibbon, Berry, Rule, Davis, Wicks, Fey, Callan, Dolan, Frame, Lovick, Chapman, Ryu, Santos, Thai, Ortiz-Self, Orwall, Simmons, Slatter, Gregerson, Bergquist, Hackney, Valdez, Ramel, Riccelli, Macri, Goodman, and Harris-Talley)

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) Supporting and expanding access to the early childhood
37 education and assistance program to reach state-funded entitlement
38 required in RCW 43.216.556;

(e) Making child care affordable for families;

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

(g) Providing professional development opportunities for child care and early learning providers;

(h) Delivering infant and early childhood mental health consultation services;

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

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

(k) Funding special designations in the working connections child care programs, early childhood education and assistance programs, and birth to three early childhood education and assistance programs including designations established in sections 302, 304, 305, and 404 of this act;

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

(m) Providing access to learning technology;

(n) Providing child care resource and referral services;

(o) Conducting quality rating and improvement system activities through the early achievers program;

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

(q) Building and delivering a family resource and referral linkage system;

(r) Allowing the exploration of options to provide regulatory relief and make licensing more affordable for child care providers;

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

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

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

(v) Studying and evaluating options to incentivize business participation in child care and early learning systems; and

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

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

INVESTMENT ACCOUNTABILITY AND OVERSIGHT. (1) The early learning advisory council is established to advise the department on statewide early learning issues that contribute to the ongoing efforts of building a comprehensive system of quality early learning programs and services for Washington's young children and families. (2) The council shall work in conjunction with the department to ~~((assist))~~:

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

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

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

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

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

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

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

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

6 (iii) Promote kindergarten readiness by enhancing child
7 development, including development of social-emotional skills, and
8 eliminating exclusionary admissions practices and disproportionate
9 removals in child care and early learning programs; and

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

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

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

32 (5) The council shall consist of members essential to
33 coordinating services statewide prenatal through age five, as
34 follows:

35 (a) In addition to being staffed and supported by the department,
36 the governor shall appoint one representative from each of the
37 following: The department of commerce, the department of health, the
38 student achievement council, and the state board for community and
39 technical colleges;

1 (b) One representative from the office of the superintendent of
2 public instruction, to be appointed by the superintendent of public
3 instruction;

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

7 ~~((The head start state collaboration office director or the~~
8 ~~director's designee;~~

9 ~~((i))~~) A representative of a head start, early head start, or
10 migrant/seasonal head start program;

11 ~~((i))~~) (ii) A representative of ((a local education agency))
12 educational service districts;

13 ~~((iv))~~) (iii) A ((representative of the state agency)) provider
14 responsible for programs under section 619 ((or)) of the federal
15 individuals with disabilities education act;

16 (iv) A representative of the state agency responsible for part C
17 of the federal individuals with disabilities education act;

18 (v) A representative of the early childhood education and
19 assistance program;

20 (vi) A representative of licensed family ~~((day care))~~ home
21 providers;

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

23 (viii) A representative from the home visiting advisory committee
24 established in RCW 43.216.130;

25 (ix) An infant or early childhood mental health expert;

26 (x) A family, friend, and neighbor caregiver;

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

28 (xii) A pediatrician; and

29 (xiii) A representative of the statewide child care resource and
30 referral organization;

31 (d) Two members of the house of representatives, one from each
32 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) Two parents, one of whom serves on the department's parent
37 advisory group, to be appointed by the governor;

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

1 (g) One representative from the Washington state developmental
2 disabilities ((community)) council;

3 (h) Two representatives from early learning regional coalitions;

4 ((i)) Up to five representatives of underserved
5 communities who have a special expertise or interest in high quality
6 early learning, one to be appointed by each of the following
7 commissions:

8 (i) The Washington state commission on Asian Pacific American
9 affairs;

10 (ii) The Washington state commission on African American affairs;
11 ((and))

12 (iii) The Washington state commission on Hispanic affairs;

13 (iv) The Washington state women's commission; and

14 (v) The Washington state office of equity;

15 (j) Two representatives designated by sovereign tribal
16 governments, one of whom must be a representative of a tribal early
17 childhood education assistance program or head start program;

18 (k) One representative from the office of equity established
19 under chapter 43.06D RCW;

20 (l) One representative from the women's commission established
21 under chapter 43.119 RCW;

22 (m) One representative from the Washington federation of
23 independent schools;

24 ((+l)) (n) One representative from the Washington library
25 association; ((and

26 +m)) (o) One representative from a statewide advocacy coalition
27 of organizations that focuses on early learning;

28 (p) One representative from an association representing statewide
29 business interests and one representative from a regional business
30 coalition;

31 (q) One representative of an advocacy organization for immigrants
32 and refugees;

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

35 (s) One representative from a union representing child care
36 providers.

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

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

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

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

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

18 (i) Adequacy of data collection procedures;

19 (ii) Coaching and technical assistance standards;

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

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

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

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

29 (vii) Other relevant early learning data, including but not
30 limited to, progress in serving students with disabilities ages birth
31 to five, including data on least restrictive environments.

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

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

1 including working connections child care and early childhood
2 education and assistance programs. The subcommittee shall include
3 representatives from diverse cultural and linguistic backgrounds.

4 ~~((10))~~ (11) The council shall report its findings and
5 recommendations annually to the governor and the appropriate
6 committees of the legislature by August 1st.

7 (12) The department shall provide staff support to the council.

8 NEW SECTION. Sec. 103. INFLATIONARY ADJUSTMENTS. Beginning July
9 1, 2023, and subject to the availability of amounts appropriated for
10 this specific purpose, rates paid under sections 302, 305, and 404 of
11 this act and RCW 43.216.578 must be adjusted every two years
12 according to an inflationary increase. The inflationary increase must
13 be calculated by applying the rate of the increase in the
14 inflationary adjustment index to the rates established in sections
15 302, 305, and 404 of this act and RCW 43.216.578. Any funded
16 inflationary increase must be included in the rate used to determine
17 inflationary increases in subsequent years. For the purposes of this
18 section, "inflationary adjustment index" means the implicit price
19 deflator averaged for each fiscal year, using the official current
20 base rate, compiled by the bureau of economic analysis, United States
21 department of commerce.

22 **PART II**

23 **EXPANDING ACCESS TO CHILD CARE AND EARLY LEARNING PROGRAMS**

24 NEW SECTION. Sec. 201. WORKING CONNECTIONS CHILD CARE PROGRAM
25 ELIGIBILITY AND COPAYMENT. (1) It is the intent of the legislature to
26 increase working families' access to affordable, high quality child
27 care and to support the expansion of the workforce to support
28 businesses and the statewide economy.

29 (2) By July 1, 2025, a family is eligible for working connections
30 child care when the household's annual income is at or below 75
31 percent of the state median income adjusted for family size and:

32 (a) The child receiving care is: (i) Aged 13 years or younger; or
33 (ii) aged 19 years or younger and has a verified special need
34 according to department rule or is under court supervision; and

35 (b) The household meets all other program eligibility
36 requirements.

(3) By July 1, 2025, and subject to the availability of amounts appropriated for this specific purpose, a family is eligible for working connections child care when the household's annual income is above 75 percent of the state median income and is at or below 100 percent of the state median income adjusted for family size and:

(a) The child receiving care is: (i) Aged 13 years or younger; or (ii) aged 19 years or younger and has a verified special need according to department rule or is under court supervision; and

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

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

Beginning date:	If the household's income is:	Then the household's copayment is not to exceed:
Beginning July 1, 2021	At or below 36 percent of the state median income	Waived to the extent allowable under federal law
Beginning July 1, 2021	Above 36 percent and at or below 50 percent of the state median income	\$65
Beginning July 1, 2023	Above 50 percent and at or below 60 percent of the state median income	\$165
Beginning July 1, 2025	Above 60 percent and at or below 75 percent of the state median income	\$215

(b) The department shall adopt a copayment model based on available revenue for households with annual incomes above 75 percent of the state median income and at or below 100 percent of the state median income. The model must calculate a copayment for each household that is no greater than seven percent of the household's countable income within this income range.

(c) The department may adjust the copayment schedule to comply with federal law.

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

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

WORKING CONNECTIONS CHILD CARE FOR STUDENT PARENTS. (1) The department shall establish and implement policies in the working connections child care program to promote stability and quality of care for children from low-income households. These policies shall

1 focus on supporting school readiness for young learners. Policies for
2 the expenditure of funds constituting the working connections child
3 care program must be consistent with the outcome measures established
4 by the department and the standards established in this section
5 intended to promote stability, quality, and continuity of early care
6 and education programming.

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

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

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

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

19 (i) In the last six months have:

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

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

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

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

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

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

33 (4)(a) Beginning (~~(August 1, 2020))~~ July 1, 2023, the department
34 may not require an applicant or consumer to meet work requirements as
35 a condition of receiving working connections child care benefits when
36 the applicant or consumer is(~~(÷~~

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

38 ~~(ii) A))~~ a full-time student of a community, technical, or tribal
39 college((÷)) and ((~~(iii) Pursuing~~)) is enrolled in: (i) A vocational

1 education program that leads to a degree or certificate in a specific
2 occupation(~~((, not to result in a bachelor's or advanced degree))~~);

3 (ii) An associate degree program; or

4 (iii) A registered apprenticeship program.

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

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

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

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

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

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

28 NEW SECTION. Sec. 203. EARLY CHILDHOOD EDUCATION AND ASSISTANCE
29 PROGRAM INTENT. (1) The legislature finds that eligibility guidelines
30 for the national school lunch program require free meals for children
31 with household incomes at or below 130 percent of the federal poverty
32 level and that this income level is approximately equivalent to 36
33 percent of the state median income for a household of three. The
34 legislature further finds that eligibility guidelines require
35 reduced-price meals for children with household incomes at or below
36 185 percent of the federal poverty level and that this income level
37 is approximately equivalent to 50 percent of the state median income
38 for a household of three.

(2) Therefore, the legislature intends to raise the maximum family income for children entitled to enroll in the early childhood education and assistance program to 36 percent of the state median income beginning July 1, 2026. Beginning in the 2030-31 school year, the legislature intends to raise the maximum family income for children entitled to enroll in this program to 50 percent of the state median income. It is the intent of the legislature to standardize income eligibility levels for assistance programs in order to help families and social workers better understand the benefits for which families qualify and to simplify and align state systems wherever feasible.

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

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

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

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

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

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

(4) "Eligible child" means a child who is at least three (~~to five-year~~) years old (~~(child who)~~) by the school year, is not age-eligible for kindergarten, is not a participant in a federal or state program providing comprehensive services, and who:

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

1 (b) Is experiencing homelessness;

2 (c) Has participated in early head start or a successor federal
3 program providing comprehensive services for children from birth
4 through two years of age, the early support for infants and toddlers
5 program or received class C developmental services, the birth to
6 three early childhood education and assistance program, or the early
7 childhood intervention and prevention services program;

8 (d) Is eligible for special education due to disability under RCW
9 28A.155.020; ((or

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

16 (f) Beginning in the 2030-31 school year, is Indian as defined in
17 rule by the department after consultation and agreement with
18 Washington state's federally recognized tribes pursuant to section
19 207 of this act and is at or below 100 percent of the state median
20 income adjusted for family size.

21 (5) "Family support services" means providing opportunities for
22 parents to:

23 (a) Actively participate in their child's early childhood
24 program;

25 (b) Increase their knowledge of child development and parenting
26 skills;

27 (c) Further their education and training;

28 (d) Increase their ability to use needed services in the
29 community;

30 (e) Increase their self-reliance; and

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

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

37 (7) "Family with financial need" means families with incomes at
38 or below 36 percent of the state median income adjusted for family
39 size until the 2030-31 school year. Beginning in the 2030-31 school

1 year, "family with financial need" means families with incomes at or
2 below 50 percent of the state median income adjusted for family size.

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

5 EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM EXPANDED
6 ENROLLMENT. (1) The department shall adopt rules that allow the
7 enrollment of children in the early childhood education and
8 assistance program, as space is available, if the number of such
9 children equals not more than ~~((twenty-five))~~ 25 percent of total
10 statewide enrollment, when the child is not eligible under RCW
11 43.216.505 and whose family income level is ~~((÷ (a) Above one hundred~~
12 ~~ten percent but less than or equal to one hundred thirty percent of~~
13 ~~the federal poverty level; or~~

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

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

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

28 (b) ~~((Homelessness;~~

29 ~~(e)))~~ Child welfare system involvement;

30 ~~((d) Developmental delay or disability that does not meet the~~
31 ~~eligibility criteria for special education described in RCW~~
32 ~~28A.155.020))~~ (c) Eligible for services under part C of the federal
33 individuals with disabilities education act but not eligible for
34 services under part B of the federal individuals with disabilities
35 education act;

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

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

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

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

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

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

5 (3) ~~((The department shall adopt rules that allow a child to~~
6 ~~enroll in the early childhood education and assistance program, as~~
7 ~~space is available, when the child is not eligible under RCW~~
8 ~~43.216.505 and the child turns three years old at any time during the~~
9 ~~school year when the child:~~

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

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

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

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

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

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

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

25 NEW SECTION. Sec. 206. EARLY CHILDHOOD EDUCATION AND ASSISTANCE
26 PROGRAM EARLY ENTRY. (1) The department shall adopt rules that allow
27 a child to enroll in the early childhood education and assistance
28 program, as space is available, when the child is not eligible under
29 RCW 43.216.505 and the child turns three years old at any time during
30 the school year when the child:

31 (a) Has a family income at or below 50 percent of the state
32 median income or meets at least one risk factor criterion adopted by
33 the department in rule; and

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

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

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

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

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

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

NEW SECTION. **Sec. 207.** INDIAN CHILD DEFINITION. (1) The department must consult, and obtain the advice and consent of, the governing bodies of the state's federally recognized tribes in developing an agreed-upon definition of the term "Indian" for the purposes of RCW 43.216.505 and, by July 1, 2024, must adopt the definition in rule.

(2) This section expires December 1, 2030.

Sec. 208. RCW 43.216.556 and 2019 c 408 s 3 are each amended to read as follows:

(1) Funding for the program of early learning established under this chapter must be appropriated to the department. The department shall distribute funding to approved early childhood education and assistance program contractors on the basis of eligible children enrolled.

(2) The program shall be implemented in phases, so that full implementation is achieved in the ((2022-23)) 2026-27 school year.

(3) Funding shall continue to be phased in ((each year)) until full statewide implementation of the early learning program is achieved in the ((2022-23)) 2026-27 school year, at which time any eligible child is entitled to be enrolled in the program. Entitlement under this section is voluntary enrollment.

(4) School districts and approved community-based early learning providers may contract with the department to provide services under the program. The department shall collaborate with school districts, community-based providers, and educational service districts to promote an adequate supply of approved providers.

PART III

SUPPORTING CHILD CARE AND EARLY LEARNING PROVIDERS

1 **Sec. 301.** RCW 43.216.749 and 2019 c 368 s 7 are each amended to
2 read as follows:

3 CHILD CARE SUBSIDY RATES. (1) ~~((By January 1, 2025, the~~
4 ~~department of children, youth, and families must))~~ It is the intent
5 of the legislature to systemically increase child care subsidy rates
6 over time until rates are equal to the full cost of providing high
7 quality child care.

8 (2)(a) By July 1, 2021, child care subsidy base rates must
9 achieve the 75th percentile of market for licensed or certified child
10 care providers.

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

14 (3)(a) The department shall build upon the work of the child care
15 collaborative task force to develop and implement a child care cost
16 estimate model and use the completed child care cost model
17 ~~((developed under RCW 43.330.527 to determine child care subsidy~~
18 ~~rates.~~

19 ~~(2) This section expires January 30, 2025))~~ to recommend subsidy
20 rates at levels that are sufficient to compensate licensed or
21 certified child care providers for the full costs of providing high
22 quality child care. The department shall consider adjusting rates to
23 reflect cost-of-living factors at the zip code level, grouped by
24 categories such as rural, suburban, or urban.

25 (b) The department shall build upon the work of the child care
26 collaborative task force to evaluate options to support access to
27 affordable health care insurance coverage for licensed or certified
28 child care providers.

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

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

35 (b) For the 2023-24 school year, rates shall be set at a level at
36 least 10 percent higher than the rates established in section 225,
37 chapter 415, Laws of 2019.

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

(3) This section expires June 30, 2027.

NEW SECTION. **Sec. 303.** COMPLEX NEEDS FUNDS. (1) The department shall administer two complex needs funds to promote inclusive, least restrictive environments and to support contractors and providers serving children who have developmental delays, disabilities, behavioral needs, or other unique needs. One fund must support early childhood education and assistance program contractors and providers, and one fund must support licensed or certified child care providers, license-exempt child care programs, and birth to three early childhood education and assistance programs.

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

NEW SECTION. **Sec. 304.** TRAUMA-INFORMED CARE SUPPORTS. (1) By July 1, 2022, the department shall provide supports to aid eligible providers in providing trauma-informed care. Trauma-informed care supports may include:

(a) Additional compensation for staff who have an infant and early childhood mental health or other child development specialty credential;

(b) Trauma-informed professional development and training;

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

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

(e) Other related expenses.

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

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

(a) An employee or owner of a licensed or certified child care center accepting state subsidy; (b) an employee or owner of a licensed family home provider accepting state subsidy; (c) a contractor or provider of the early childhood education and assistance program or birth to three early childhood education and assistance program; (d) a license-exempt child care program; or (e) 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 subsidy rate enhancements or site-specific
4 grants for licensed or certified child care providers who are
5 accepting state subsidy; early childhood education and assistance
6 program contractors; or birth to three early childhood education and
7 assistance program contractors. It is the intent of the legislature
8 to allow uses of rate enhancements or site-specific grants to include
9 increased wages for individual staff who provide bilingual
10 instruction, professional development training, the purchase of dual
11 language and culturally appropriate curricula and accompanying
12 training programs, instructional materials, or other related
13 expenses.

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

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

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

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

26 NEW SECTION. **Sec. 307.** EARLY CHILDHOOD EQUITY GRANTS. (1)
27 Subject to the availability of amounts appropriated for this specific
28 purpose, the department shall distribute early childhood equity
29 grants to eligible applicants. Eligible applicants include play and
30 learn groups, licensed or certified child care centers and family
31 home providers, license-exempt child care programs, and early
32 childhood education and assistance program contractors. The equity
33 grants are intended to serve as a step toward expanding access to
34 early learning statewide and transforming Washington's early learning
35 system to make it more inclusive and equitable. The department shall
36 administer the early childhood equity grants to support inclusive and
37 culturally and linguistically specific early learning and early
38 childhood and parent support programs across the state.

1 (2) The department must conduct an equitable process to
2 prioritize grant applications for early childhood equity grant
3 assistance. An eligible applicant may receive an early childhood
4 equity grant once every two years. When conducting the equitable
5 grant process, the department must:

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

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

11 (c) Require applicants to demonstrate their proposed uses of
12 early childhood equity grant funds to incorporate either inclusive
13 practices or culturally and linguistically supportive and relevant
14 practices, or both, into early learning program design, delivery,
15 education, training, and evaluation; and

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

17 NEW SECTION. Sec. 308. A new section is added to chapter 43.330
18 RCW to read as follows:

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

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

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

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

30 (c) Providing financial assistance to employees for licensed or
31 certified child care providers and license-exempt child care program
32 expenses;

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

34 (e) Sponsoring dependent care flexible spending accounts for
35 employees; and

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

1 NEW SECTION. **Sec. 309.** INFANT AND EARLY CHILDHOOD MENTAL HEALTH
2 CONSULTATION. (1) The department shall administer or contract for
3 infant and early childhood mental health consultation services to
4 child care providers and early learning providers participating in
5 the early achievers program.

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

9 (3) The department shall provide, or contract with an entity to
10 provide, reflective supervision and professional development for
11 infant and early childhood mental health consultants and coaches to
12 meet national competency standards and overall service delivery
13 coordination.

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

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

22 INFANT AND EARLY CHILDHOOD MENTAL HEALTH CONSULTATION. ((The)) By
23 July 1, 2021, the department of children, youth, and families must
24 have or contract for one infant and early childhood mental health
25 consultation coordinator and must enter into a contractual agreement
26 with an organization providing coaching services to early achievers
27 program participants to hire ((one)) at least 12 qualified infant and
28 early childhood mental health consultants ~~((for each of the six~~
29 ~~department-designated regions))~~. The department shall determine, in
30 collaboration with child care aware of Washington, where the
31 additional consultants should be sited based on factors such as the
32 total provider numbers overlaid with indicators of highest need. The
33 infant and early childhood mental health consultants must support
34 early achievers program coaches and child care providers by providing
35 resources, information, and guidance regarding challenging behavior
36 and expulsions and may travel to assist providers in serving families
37 and children with severe behavioral needs. ~~((In coordination with the~~
38 ~~contractor, the department of children, youth, and families must~~
39 ~~report on the services provided and the outcomes of the consultant~~

~~activities to the governor and the appropriate policy and fiscal committees of the legislature by June 30, 2021.)~~)

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

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

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

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

 (c) Early achievers scholarships;

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

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

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

 (a) An employee or owner of a licensed or certified child care center or outdoor nature-based care; (b) an employee or owner of a licensed family home provider accepting state subsidy; (c) a contractor or provider of the early childhood education and assistance program or

1 birth to three early childhood education and assistance program; or
2 (d) an early achievers coach.

3 **PART IV**

4 **STRENGTHENING PRENATAL TO THREE SUPPORTS**

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

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

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

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

30 NEW SECTION. **Sec. 402.** EDUCATION AND SUPPORT FOR PARENTS AND
31 FAMILY, FRIEND, AND NEIGHBOR CAREGIVERS. (1) Subject to the
32 availability of amounts appropriated for this specific purpose, the
33 department shall administer a prenatal to three family engagement
34 strategy to support expectant parents, babies and toddlers from birth
35 to three years of age, and their caregivers.

36 (2) Components of the prenatal to three family engagement
37 strategy must include supports and services to improve maternal and

1 infant health outcomes, reduce and mitigate trauma, promote
2 attachment and other social-emotional assets, strengthen parenting
3 skills, and provide early supports to help maximize healthy and
4 robust childhood development and reduce isolation. Services and
5 supports may include:

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

8 (b) Facilitated play and learn groups;

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

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

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

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

22 BIRTH TO THREE EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM.

23 ~~((Within resources available under the federal preschool~~
24 ~~development grant birth to five grant award received in December~~
25 ~~2018,))~~ Subject to the availability of amounts appropriated for this
26 specific purpose, the department shall ~~((develop a plan for phased~~
27 ~~implementation of))~~ administer a birth to three early childhood
28 education and assistance program ~~((pilot project))~~ for eligible
29 children under thirty-six months old. Funds to implement the ~~((pilot~~
30 ~~project))~~ program may include a combination of federal, state, or
31 private sources.

32 (2) The department may adopt rules to implement the ~~((pilot~~
33 ~~project))~~ program and may waive or adapt early childhood education
34 and assistance program requirements when necessary to allow for the
35 operation of the birth to three early childhood education and
36 assistance program. The department shall consider early head start
37 rules and regulations when developing the provider and family
38 eligibility requirements and program requirements. ~~((Any deviations~~
39 ~~from early head start standards, rules, or regulations must be~~

1 identified and explained by the department in its annual report under
2 subsection (6) of this section.))

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

8 (b) The department must determine minimum early achievers ratings
9 scores for ((programs)) participating ((in the pilot project))
10 contractors.

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

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

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

32 NEW SECTION. Sec. 404. INFANT CARE INCENTIVES. (1) The
33 legislature finds that our state suffers from an extreme shortage of
34 infant child care, impacting the ability of parents to participate in
35 the workforce. Further, parents returning to work after using paid
36 family leave to care for a new child struggle to find readily
37 available, high quality care during a time of critical growth and
38 brain development for young children. Therefore, the legislature
39 intends to incentivize the provision of high quality infant care.

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

(a) Accepting state subsidy;

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

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

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

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

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

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

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

PART V

CONFORMING AMENDMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) Persons who care for a neighbor's or friend's child or children, with or without compensation, where the person providing

1 care for periods of less than twenty-four hours does not conduct such
2 activity on an ongoing, regularly scheduled basis for the purpose of
3 engaging in business, which includes, but is not limited to,
4 advertising such care;

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

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

10 (f) Schools, including boarding schools, that are engaged
11 primarily in education, operate on a definite school year schedule,
12 follow a stated academic curriculum, and accept only school age
13 children;

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

16 (h) Facilities providing child care for periods of less than
17 twenty-four hours when a parent or legal guardian of the child
18 remains on the premises of the facility for the purpose of
19 participating in:

20 (i) Activities other than employment; or

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

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

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

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

33 (iii) The entity is a local affiliate of a national nonprofit;
34 and

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

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

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

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

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

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

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

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

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

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

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

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

~~(10) ("Early start" means an integrated high quality continuum of early learning programs for children birth-to-five years of age. Components of early start include, but are not limited to, the following:~~

~~(a) Home visiting and parent education and support programs;~~

~~(b) The early achievers program described in RCW 43.216.085;~~

~~(c) Integrated full-day and part-day high quality early learning programs; and~~

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

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

6 ~~((12))~~ (11) "Employer" means a person or business that engages
7 the services of one or more people, especially for wages or salary to
8 work in an agency.

9 ~~((13))~~ (12) "Enforcement action" means denial, suspension,
10 revocation, modification, or nonrenewal of a license pursuant to RCW
11 43.216.325(1) or assessment of civil monetary penalties pursuant to
12 RCW 43.216.325(3).

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

17 (14) "Family resource and referral linkage system" means a system
18 that connects families to resources, services, and programs for which
19 families are eligible and uses a database that is developed and
20 maintained in partnership with communities, health care providers,
21 and early learning providers.

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

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

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

31 (18) "Negative action" means a court order, court judgment, or an
32 adverse action taken by an agency, in any state, federal, tribal, or
33 foreign jurisdiction, which results in a finding against the
34 applicant reasonably related to the individual's character,
35 suitability, and competence to care for or have unsupervised access
36 to children in child care. This may include, but is not limited to:

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

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

1 (c) An adverse agency action, including termination, revocation,
2 or denial of a license or certification, or if pending adverse agency
3 action, the voluntary surrender of a license, certification, or
4 contract in lieu of the adverse action;

5 (d) A revocation, denial, or restriction placed on any
6 professional license; or

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

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

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

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

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

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

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

24 (25) "School age child" means a child who is five years of age
25 through ~~((twelve))~~ 13 years of age and is attending a public or
26 private school or is receiving home-based instruction under chapter
27 28A.200 RCW.

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

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

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

35 Nothing in RCW 43.216.135(~~(r)~~) or 43.216.136(~~(r or 43.216.1365))~~)
36 requires a community or technical college to expand any of its
37 existing child care facilities. Any additional child care services
38 provided by a community or technical college as a result of RCW

43.216.135(~~(7)~~) or 43.216.136(~~(7) or 43.216.1365~~) must be provided within existing resources and existing facilities.

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

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

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

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's

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

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

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

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

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

33 **Sec. 504.** RCW 43.84.092 and 2020 c 354 s 11, 2020 c 221 s 5,
34 2020 c 148 s 3, 2020 c 103 s 7, and 2020 c 18 s 3 are each reenacted
35 and amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

31 (2) The treasury income account shall be utilized to pay or
32 receive funds associated with federal programs as required by the
33 federal cash management improvement act of 1990. The treasury income
34 account is subject in all respects to chapter 43.88 RCW, but no
35 appropriation is required for refunds or allocations of interest
36 earnings required by the cash management improvement act. Refunds of
37 interest to the federal treasury required under the cash management
38 improvement act fall under RCW 43.88.180 and shall not require
39 appropriation. The office of financial management shall determine the

1 amounts due to or from the federal government pursuant to the cash
2 management improvement act. The office of financial management may
3 direct transfers of funds between accounts as deemed necessary to
4 implement the provisions of the cash management improvement act, and
5 this subsection. Refunds or allocations shall occur prior to the
6 distributions of earnings set forth in subsection (4) of this
7 section.

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

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

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

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

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

1 implementation revenue recovery account, and the Yakima integrated
2 plan implementation taxable bond account. Earnings derived from
3 investing balances of the agricultural permanent fund, the normal
4 school permanent fund, the permanent common school fund, the
5 scientific permanent fund, and the state university permanent fund
6 shall be allocated to their respective beneficiary accounts.

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

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

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

18 The department shall:

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

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

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

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

36 (b) Carry out child care provider recruitment and training
37 programs, including training under RCW 74.25.040;

38 (c) Offer support services, such as parent and provider seminars,
39 toy-lending libraries, and substitute banks;

1 (d) Provide information for businesses regarding child care
2 supply and demand;

3 (e) Advocate for increased public and private sector resources
4 devoted to child care;

5 (f) Provide technical assistance to employers regarding employee
6 child care services; and

7 (g) Serve recipients of temporary assistance for needy families
8 and working parents with household incomes at or below (~~household~~
9 ~~incomes of two hundred~~) 100 percent of the (~~federal poverty line~~)
10 state median income;

11 (4) Provide staff support and technical assistance to the
12 statewide child care resource and referral network and local child
13 care resource and referral organizations;

14 (5) Maintain a statewide child care licensing data bank and work
15 with department licensors to provide information to local child care
16 resource and referral organizations about licensed or certified child
17 care providers in the state;

18 (6) Through the statewide child care resource and referral
19 network and local resource and referral organizations, compile data
20 about local child care needs and availability for future planning and
21 development;

22 (7) Coordinate with the statewide child care resource and
23 referral network and local child care resource and referral
24 organizations for the provision of training and technical assistance
25 to child care providers;

26 (8) Collect and assemble information regarding the availability
27 of insurance and of federal and other child care funding to assist
28 state and local agencies, businesses, and other child care providers
29 in offering child care services;

30 (9) Subject to the availability of amounts appropriated for this
31 specific purpose, increase the base rate for all child care providers
32 by ten percent;

33 (10) Subject to the availability of amounts appropriated for this
34 specific purpose, provide tiered subsidy rate enhancements to child
35 care providers if the provider meets the following requirements:

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

38 (b) The provider is actively participating in the early achievers
39 program;

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

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

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

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

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

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

15 (2) As space is available, children may be included in the early
16 childhood education and assistance program pursuant to RCW
17 43.216.512. (~~Priority within this group must be given first to~~
18 ~~children with incomes up to one hundred thirty percent of the federal~~
19 ~~poverty level.))~~

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

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

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

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

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

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

7 (i) In the last six months have:

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

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

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

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

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

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

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

25 (i) A single parent;

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

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

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

36 (c) Nothing in this subsection is intended to change how
37 applicants or consumers are prioritized when applicants or consumers
38 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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