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SENATE BILL 6569

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State of Washington                      65th Legislature                      2018 Regular Session  
By Senators Zeiger, Wellman, Dhingra, and Padden

1            AN ACT Relating to regulatory relief for licensed child care  
2 providers; amending RCW 43.216.015, 43.216.065, and 19.85.020; adding  
3 a new section to chapter 43.216 RCW; and providing an effective date.

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

5            **Sec. 1.** RCW 43.216.015 and 2017 3rd sp.s. c 6 s 101 are each  
6 amended to read as follows:

7            (1)(a) The department of children, youth, and families is created  
8 as an executive branch agency. The department is vested with all  
9 powers and duties transferred to it under chapter 6, Laws of 2017 3rd  
10 sp. sess. and such other powers and duties as may be authorized by  
11 law. The vision for the department is that Washington state's  
12 children and youth grow up safe and ((~~health~~[~~healthy~~—]) healthy—  
13 thriving physically, emotionally, and academically, nurtured by  
14 family and community.

15            (b) The department, in partnership with state and local agencies,  
16 tribes, and communities, shall protect children and youth from harm  
17 and promote healthy development with effective, high quality  
18 prevention, intervention, and early education services delivered in  
19 an equitable manner. An important role for the department shall be to  
20 provide preventative services to help secure and preserve families in  
21 crisis. The department shall partner with the federally recognized

1 Indian tribes to develop effective services for youth and families  
2 while respecting the sovereignty of those tribes and the government-  
3 to-government relationship. Nothing in chapter 6, Laws of 2017 3rd  
4 sp. sess. alters the duties, requirements, and policies of the  
5 federal Indian child welfare act, 25 U.S.C. Secs. 1901 through 1963,  
6 as amended, or the Indian child welfare act, chapter 13.38 RCW.

7 (2) Beginning July 1, 2018, the department must develop  
8 definitions for, work plans to address, and metrics to measure the  
9 outcomes for children, youth, and families served by the department  
10 and must work with state agencies to ensure services for children,  
11 youth, and families are science-based, outcome-driven, data-informed,  
12 and collaborative.

13 (3)(a) Beginning July 1, 2018, the department must establish  
14 short and long-term population level outcome measure goals, including  
15 metrics regarding reducing disparities by family income, race, and  
16 ethnicity in each outcome.

17 (b) The department must report to the legislature on outcome  
18 measures, actions taken, progress toward these goals, and plans for  
19 the future year, no less than annually, beginning December 1, 2018.

20 (c) The outcome measures must include, but are not limited to:

21 (i) Improving child development and school readiness through  
22 voluntary, high quality early learning opportunities as measured by:

23 (A) Increasing the number and proportion of children kindergarten-  
24 ready as measured by the Washington kindergarten inventory of  
25 developing skills (WAKids) assessment including mathematics; (B)  
26 increasing the proportion of children in early learning programs that  
27 have achieved the level 3 or higher early achievers quality standard;  
28 and (C) increasing the available supply of licensed child care in  
29 both child care centers and family homes, including providers not  
30 receiving state subsidy;

31 (ii) Preventing child abuse and neglect;

32 (iii) Improving child and youth safety, permanency, and well-  
33 being as measured by: (A) Reducing the number of children entering  
34 out-of-home care; (B) reducing a child's length of stay in out-of-  
35 home care; (C) reducing maltreatment of youth while in out-of-home  
36 care; (D) licensing more foster homes than there are children in  
37 foster care; (E) reducing the number of children that reenter out-of-  
38 home care within twelve months; (F) increasing the stability of  
39 placements for children in out-of-home care; and (G) developing  
40 strategies to demonstrate to foster families that their service and

1 involvement is highly valued by the department, as demonstrated by  
2 the development of strategies to consult with foster families  
3 regarding future placement of a foster child currently placed with a  
4 foster family;

5 (iv) Improving reconciliation of children and youth with their  
6 families as measured by: (A) Increasing family reunification; and (B)  
7 increasing the number of youth who are reunified with their family of  
8 origin;

9 (v) In collaboration with county juvenile justice programs,  
10 improving adolescent outcomes including reducing multisystem  
11 involvement and homelessness; and increasing school graduation rates  
12 and successful transitions to adulthood for youth involved in the  
13 child welfare and juvenile justice systems;

14 (vi) Reducing future demand for mental health and substance use  
15 disorder treatment for youth involved in the child welfare and  
16 juvenile justice systems;

17 (vii) In collaboration with county juvenile justice programs,  
18 reducing criminal justice involvement and recidivism as measured by:  
19 (A) An increase in the number of youth who successfully complete the  
20 terms of diversion or alternative sentencing options; (B) a decrease  
21 in the number of youth who commit subsequent crimes; and (C)  
22 eliminating the discharge of youth from institutional settings into  
23 homelessness; and

24 (viii) Reducing racial and ethnic disproportionality and  
25 disparities in system involvement and across child and youth outcomes  
26 in collaboration with other state agencies.

27 (4) Beginning July 1, 2018, the department must:

28 (a) Lead ongoing collaborative work to minimize or eliminate  
29 systemic barriers to effective, integrated services in collaboration  
30 with state agencies serving children, youth, and families;

31 (b) Identify necessary improvements and updates to statutes  
32 relevant to their responsibilities and proposing legislative changes  
33 to the governor no less than biennially;

34 (c) Help create a data-focused environment in which there are  
35 aligned outcomes and shared accountability for achieving those  
36 outcomes, with shared, real-time data that is accessible to  
37 authorized persons interacting with the family, child, or youth to  
38 identify what is needed and which services would be effective;

39 (d) Lead the provision of state services to adolescents, focusing  
40 on key transition points for youth, including exiting foster care and

1 institutions, and coordinating with the office of homeless youth  
2 prevention and protection programs to address the unique needs of  
3 homeless youth; and

4 (e) Create and annually update a list of the rights and  
5 responsibilities of foster parents in partnership with foster parent  
6 representatives. The list of foster parent rights and  
7 responsibilities must be posted on the department's web site and  
8 provided to foster parents in writing at the time of licensure.

9 (5) The department is accountable to the public. To ensure  
10 transparency, beginning December 30, 2018, agency performance data  
11 for the services provided by the department, including outcome data  
12 for contracted services, must be available to the public, consistent  
13 with confidentiality laws, federal protections, and individual rights  
14 to privacy. Publicly available data must include budget and funding  
15 decisions, performance-based contracting data, including data for  
16 contracted services, and performance data on metrics identified in  
17 this section. The oversight board for children, youth, and families  
18 must work with the secretary and director to develop the most  
19 effective and cost-efficient ways to make department data available  
20 to the public, including making this data readily available on the  
21 department's web site.

22 (6) The department shall ensure that all new and renewed  
23 contracts for services are performance-based.

24 (7) As used in this section, "performance-based contract" means  
25 results-oriented contracting that focuses on the quality or outcomes  
26 that tie at least a portion of the contractor's payment, contract  
27 extensions, or contract renewals to the achievement of specific  
28 measurable performance standards and requirements.

29 (8) The department must execute all new and renewed contracts for  
30 services in accordance with this section and consistent with RCW  
31 74.13B.020. When contracted services are managed through a network  
32 administrator or other third party, the department must execute data-  
33 sharing agreements with the entities managing the contracts to track  
34 provider performance measures. Contracts with network administrators  
35 or other third parties must provide the contract administrator the  
36 ability to shift resources from one provider to another, to evaluate  
37 individual provider performance, to add or delete services in  
38 consultation with the department, and to reinvest savings from  
39 increased efficiencies into new or improved services in their  
40 catchment area. Whenever possible, contractor performance data must

1 be made available to the public, consistent with confidentiality laws  
2 and individual rights to privacy.

3 (9)(a) The oversight board for children, youth, and families  
4 shall begin its work and call the first meeting of the board on or  
5 after July 1, 2018. The oversight board shall immediately assume the  
6 duties of the legislative children's oversight committee, as provided  
7 for in RCW 74.13.570 and assume the full functions of the board as  
8 provided for in this section by July 1, 2019. The office of  
9 innovation, alignment, and accountability shall provide quarterly  
10 updates regarding the implementation of the department of children,  
11 youth, and families to the board between July 1, 2018, and July 1,  
12 2019.

13 (b) The ombuds shall establish the oversight board for children,  
14 youth, and families. The board is authorized for the purpose of  
15 monitoring and ensuring that the department of children, youth, and  
16 families achieves the stated outcomes of chapter 6, Laws of 2017 3rd  
17 sp. sess., and complies with administrative acts, relevant statutes,  
18 rules, and policies pertaining to early learning, juvenile  
19 rehabilitation, juvenile justice, and children and family services.

20 (10)(a) The oversight board for children, youth, and families  
21 shall consist of two senators and two representatives from the  
22 legislature with one member from each major caucus, one nonvoting  
23 representative from the governor's office, one subject matter expert  
24 in early learning, one subject matter expert in child welfare, one  
25 subject matter expert in juvenile rehabilitation and justice, one  
26 subject matter expert in reducing disparities in child outcomes by  
27 family income and race and ethnicity, one tribal representative from  
28 the west of the crest of the Cascade mountains, one tribal  
29 representative from the east of the crest of the Cascade mountains,  
30 one current or former foster parent representative, one  
31 representative of an organization that advocates for the best  
32 interest of the child, one parent stakeholder group representative,  
33 one law enforcement representative, one child welfare caseworker  
34 representative, one early childhood learning program implementation  
35 practitioner, and one judicial representative presiding over child  
36 welfare court proceedings or other children's matters.

37 (b) The senate members of the board shall be appointed by the  
38 leaders of the two major caucuses of the senate. The house of  
39 representatives members of the board shall be appointed by the  
40 leaders of the two major caucuses of the house of representatives.

1 Members shall be appointed before the close of each regular session  
2 of the legislature during an odd-numbered year.

3 (c) The remaining board members shall be nominated by the  
4 governor, subject to the approval of the appointed legislators by  
5 majority vote of the four legislators, and serve four-year terms.

6 (11) The oversight board for children, youth, and families has  
7 the following powers, which may be exercised by majority vote of the  
8 board:

9 (a) To receive reports of the family and children's ombuds;

10 (b) To obtain access to all relevant records in the possession of  
11 the family and children's ombuds, except as prohibited by law;

12 ~~(c) ((To select its officers and adoption of rules for orderly  
13 procedure;~~

14 ~~(d))~~ To request investigations by the family and children's  
15 ombuds of administrative acts;

16 ~~((e))~~ (d) To request and receive information, outcome data,  
17 documents, materials, and records from the department of children,  
18 youth, and families relating to children and family welfare, juvenile  
19 rehabilitation, juvenile justice, and early learning;

20 ~~((f))~~ (e) To determine whether the department of children,  
21 youth, and families is achieving the performance measures;

22 ~~((g))~~ (f) If final review is requested by a licensee, to review  
23 whether department of children, youth, and families' licensors  
24 appropriately and consistently applied agency rules in child care  
25 facility licensing compliance agreements as defined in RCW 43.216.395  
26 that do not involve a violation of health and safety standards as  
27 defined in RCW 43.216.395 in cases that have already been reviewed by  
28 the internal review process described in RCW 43.216.395 with the  
29 authority to overturn, change, or uphold such decisions;

30 ~~((h))~~ (g) To conduct annual reviews of a sample of department  
31 of children, youth, and families contracts for services from a  
32 variety of program and service areas to ensure that those contracts  
33 are performance-based and to assess the measures included in each  
34 contract; and

35 ~~((i))~~ (h) Upon receipt of records or data from the family and  
36 children's ombuds or the department of children, youth, and families,  
37 the oversight board for children, youth, and families is subject to  
38 the same confidentiality restrictions as the family and children's  
39 ombuds is under RCW 43.06A.050. The provisions of RCW 43.06A.060 also  
40 apply to the oversight board for children, youth, and families.

1       (12) The oversight board for children, youth, and families has  
2 the power to select its officers and adopt all rules and regulations  
3 for orderly procedure and service delivery. All rules must be  
4 approved by a two-thirds vote of the board.

5       (13) The oversight board for children, youth, and families has  
6 general oversight over the performance and policies of the department  
7 and shall provide advice and input to the department and the  
8 governor.

9       (~~(13)~~) (14) The oversight board for children, youth, and  
10 families must no less than twice per year convene stakeholder  
11 meetings to allow feedback to the board regarding department rule  
12 making and regulations, contracting with the department of children,  
13 youth, and families, departmental use of local, state, private, and  
14 federal funds, and other matters as relating to promulgating rules  
15 and carrying out the duties of the department.

16       (~~(14)~~) (15) The oversight board for children, youth, and  
17 families shall review existing surveys of providers, customers,  
18 parent groups, and external services to assess whether the department  
19 of children, youth, and families is effectively delivering services,  
20 and shall conduct additional surveys as needed to assess whether the  
21 department is effectively delivering services.

22       (~~(15)~~) (16) The oversight board for children, youth, and  
23 families is subject to the open public meetings act, chapter 42.30  
24 RCW.

25       (~~(16)~~) (17) Records or information received by the oversight  
26 board for children, youth, and families is confidential to the extent  
27 permitted by state or federal law. This subsection does not create an  
28 exception for records covered by RCW 13.50.100.

29       (~~(17)~~) (18) The oversight board for children, youth, and  
30 families members shall receive no compensation for their service on  
31 the board, but shall be reimbursed for travel expenses incurred while  
32 attending meetings of the board when authorized by the board in  
33 accordance with RCW 43.03.050 and 43.03.060.

34       (~~(18)~~) (19) The oversight board for children, youth, and  
35 families shall select, by majority vote, an executive director who  
36 shall be the chief administrative officer of the board and shall be  
37 responsible for carrying out the policies adopted by the board. The  
38 executive director is exempt from the provisions of the state civil  
39 service law, chapter 41.06 RCW, and shall serve at the pleasure of  
40 the board established in this section.

1       (~~(19)~~) (20) The oversight board for children, youth, and  
2 families shall maintain a staff not to exceed one full-time  
3 equivalent employee. The board-selected executive director of the  
4 board is responsible for coordinating staff appointments.

5       (~~(20)~~) (21) The oversight board for children, youth, and  
6 families shall issue an annual report to the governor and legislature  
7 by December 1st of each year with an initial report delivered by  
8 December 1, 2019. The report must review the department of children,  
9 youth, and families' progress towards meeting stated performance  
10 measures and desired performance outcomes, and must also include a  
11 review of the department's strategic plan, policies, and rules.

12       (~~(21)~~) (22) As used in this section, "department" means the  
13 department of children, youth, and families, "director" means the  
14 director of the office of innovation, alignment, and accountability,  
15 and "secretary" means the secretary of the department.

16       (~~(22)~~) (23) The governor must appoint the secretary of the  
17 department within thirty days of July 6, 2017.

18       **Sec. 2.** RCW 43.216.065 and 2017 3rd sp.s. c 6 s 204 are each  
19 amended to read as follows:

20       (1) In addition to other duties under this chapter, the secretary  
21 shall actively participate in a nongovernmental private-public  
22 partnership focused on supporting government's investments in early  
23 learning and ensuring that every child in the state is prepared to  
24 succeed in school and in life. Except for licensing as required by  
25 Washington state law and to the extent permitted by federal law, the  
26 secretary shall grant waivers from the rules of state agencies for  
27 the operation of early learning programs requested by the  
28 nongovernmental private-public partnership to allow for flexibility  
29 to pursue market-based approaches to achieving the best outcomes for  
30 children and families.

31       (2) In addition to other powers granted to the secretary, the  
32 secretary may:

33       (a) Enter into contracts on behalf of the department to carry out  
34 the purposes of this chapter;

35       (b) Accept gifts, grants, or other funds for the purposes of this  
36 chapter; and

37       (c) Adopt, in accordance with chapter 34.05 RCW and subject to  
38 the oversight board's approval under RCW 43.216.015(12), rules  
39 necessary to implement this chapter, including rules governing child



1 day care and early learning programs under this chapter. This section  
2 does not expand the rule-making authority of the (~~director~~)  
3 secretary beyond that necessary to implement and administer programs  
4 and services existing July 1, 2006, as transferred to the department  
5 of early learning under section 501, chapter 265, Laws of 2006. The  
6 rule-making authority does not include any authority to set mandatory  
7 curriculum or establish what must be taught in child day care centers  
8 or by family day care providers.

9 **Sec. 3.** RCW 19.85.020 and 2007 c 239 s 2 are each amended to  
10 read as follows:

11 The definitions in this section apply through this chapter unless  
12 the context clearly requires otherwise.

13 (1) "Industry" means all of the businesses in this state in any  
14 one four-digit standard industrial classification as published by the  
15 United States department of commerce, or the North American industry  
16 classification system as published by the executive office of the  
17 president and the office of management and budget. However, if the  
18 use of a four-digit standard industrial classification or North  
19 American industry classification system would result in the release  
20 of data that would violate state confidentiality laws, "industry"  
21 means all businesses in a three-digit standard industrial  
22 classification or the North American industry classification system.

23 (2) "Minor cost" means a cost per business that is less than  
24 three-tenths of one percent of annual revenue or income, or one  
25 hundred dollars, whichever is greater, or one percent of annual  
26 payroll. However, for the rules of the department of social and  
27 health services and department of children, youth, and families,  
28 "minor cost" means cost per business that is less than fifty dollars  
29 of annual cost per client, provider, or other appropriate unit of  
30 service.

31 (3) "Small business" means any business entity, including a sole  
32 proprietorship, corporation, partnership, or other legal entity, that  
33 is owned and operated independently from all other businesses, and  
34 that has fifty or fewer employees.

35 (4) "Small business economic impact statement" means a statement  
36 meeting the requirements of RCW 19.85.040 prepared by a state agency  
37 pursuant to RCW 19.85.030.

1        NEW SECTION.    **Sec. 4.**    A new section is added to chapter 43.216  
2    RCW to read as follows:

3        (1) By December 1, 2018, within current appropriations, the  
4    department shall complete a review of all rules issued by the  
5    department and its predecessor department since January 1, 2016,  
6    relating to licensed family day care and child care center providers  
7    that create potential operational cost increases for licensed child  
8    care providers.

9        (2) The department must report its findings to the legislature by  
10    December 1, 2018.

11        NEW SECTION.    **Sec. 5.**    This act takes effect July 1, 2018.

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