
Early Care and Education Access and Living Wage Proviso Overview

ELAC & Provider Supports
Special Webinar

March 26, 2024



Washington State Department of
CHILDREN, YOUTH & FAMILIES



Early Learning in Washington State

Our Vision

An integrated, mixed-delivery system of affordable, high-quality early care and education for ALL of Washington's children, to support child outcomes, school readiness, and family well-being.

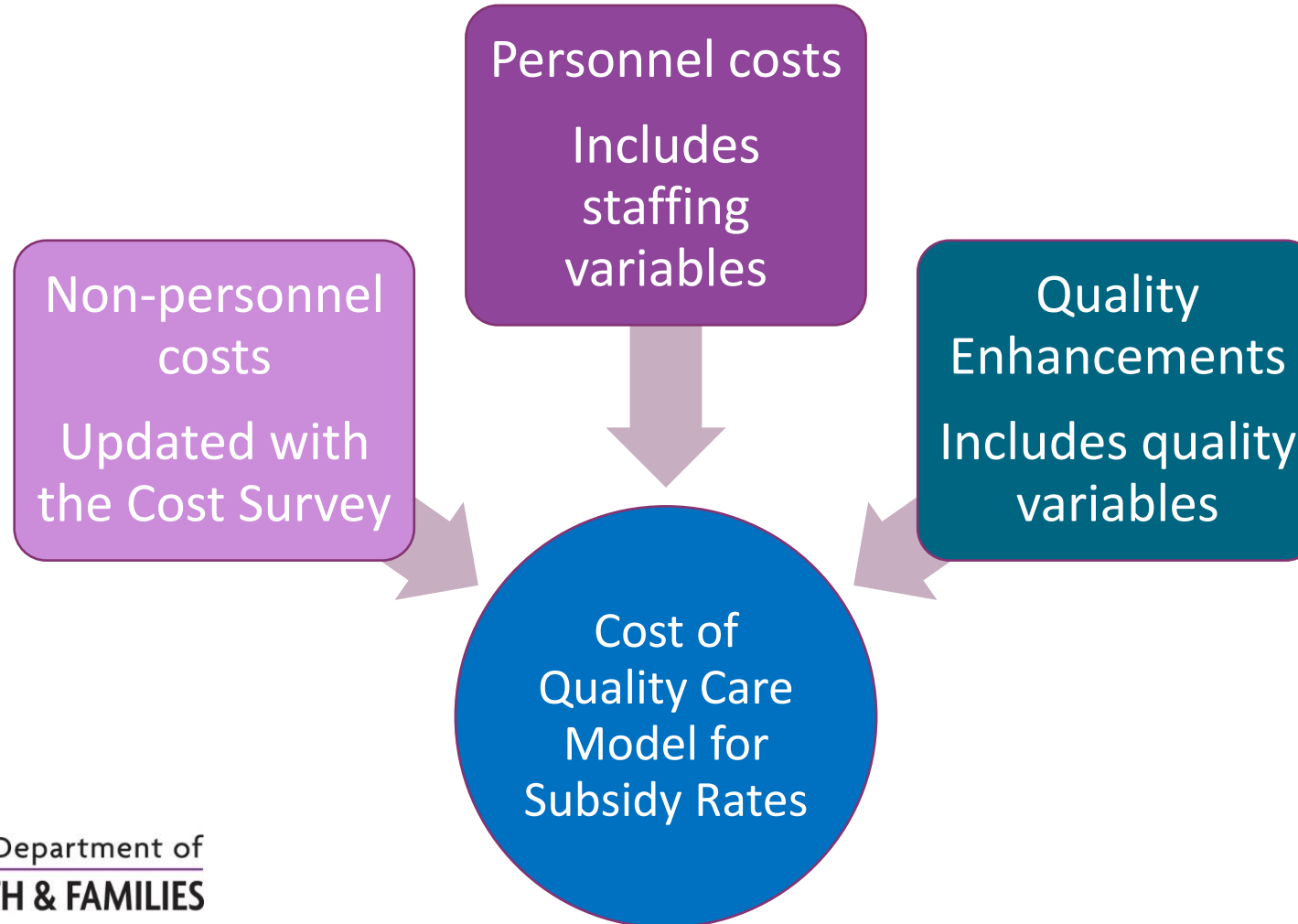
Strategic Outcomes

- 80 percent of Washington children ready for Kindergarten
- High-quality early care and education available and affordable to all in Washington

Eliminate racial disproportionality and advancing racial equity in early education



Cost of Quality Care Model



Fair Start for Kids Act (FSKA) - RCW 43.216.749 and 43.216.1368

Child care subsidy rates—Use of cost model.

(1) It is the intent of the legislature to systemically increase child care subsidy rates over time until rates are equal to the full cost of providing high quality child care.

(2) Beginning July 1, 2021, child care subsidy base rates must achieve the 85th percentile of market for licensed or certified child care providers. The state and the exclusive representative for family child care providers must enter into bargaining over the implementation of the subsidy rate increase under this subsection.

(3)(a) The department shall build upon the work of the child care collaborative task force to develop and implement a child care cost estimate model and use the completed child care cost model to recommend subsidy rates at levels that are sufficient to compensate licensed or certified child care providers for the full costs of providing high quality child care. The department shall consider:

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

(ii) Incorporating the rate model for nonstandard child care hours developed under section 306, chapter 199, Laws of 2021.

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

(4) This section does not interfere with, impede, or in any way diminish the right of family child care providers to bargain collectively with the state through the exclusive bargaining representatives as provided for under RCW [41.56.028](#).

Child care subsidy eligibility — expanded eligibility

(1) It is the intent of the legislature to increase working families' access to affordable, high quality child care and to support the expansion of the workforce to support businesses and the statewide economy.

(2) Beginning October 1, 2021, a family is eligible for working connections child care when the household's annual income is at or below 60 percent of the state median income adjusted for family size and:

(a) The child receiving care is: (i) Less than 13 years of age; or (ii) less than 19 years of age 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.

(3) Beginning July 1, 2025, a family is eligible for working connections child care when the household's annual income is above 60 percent and at or below 75 percent of the state median income adjusted for family size and:

(a) The child receiving care is: (i) Less than 13 years of age; or (ii) less than 19 years of age 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.

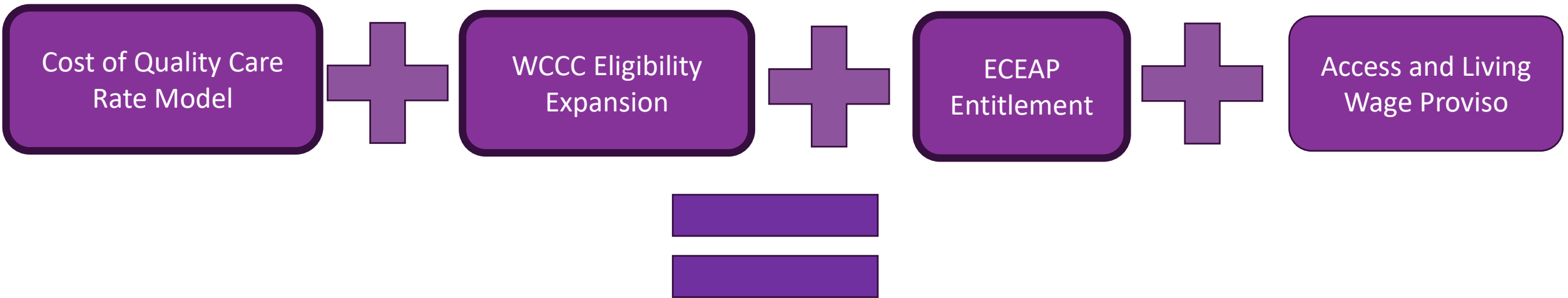
(4) Beginning July 1, 2027, and subject to the availability of amounts appropriated for this specific purpose, a family is eligible for working connections child care when the household's annual income is above 75 percent of the state median income and is at or below 85 percent of the state median income adjusted for family size and:

(a) The child receiving care is: (i) Less than 13 years of age; or (ii) less than 19 years of age 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.



Adding it All Up for 2025-27 and beyond



An integrated, mixed-delivery system of affordable, high-quality early care and education for ALL of Washington's children, birth to twelve years old.

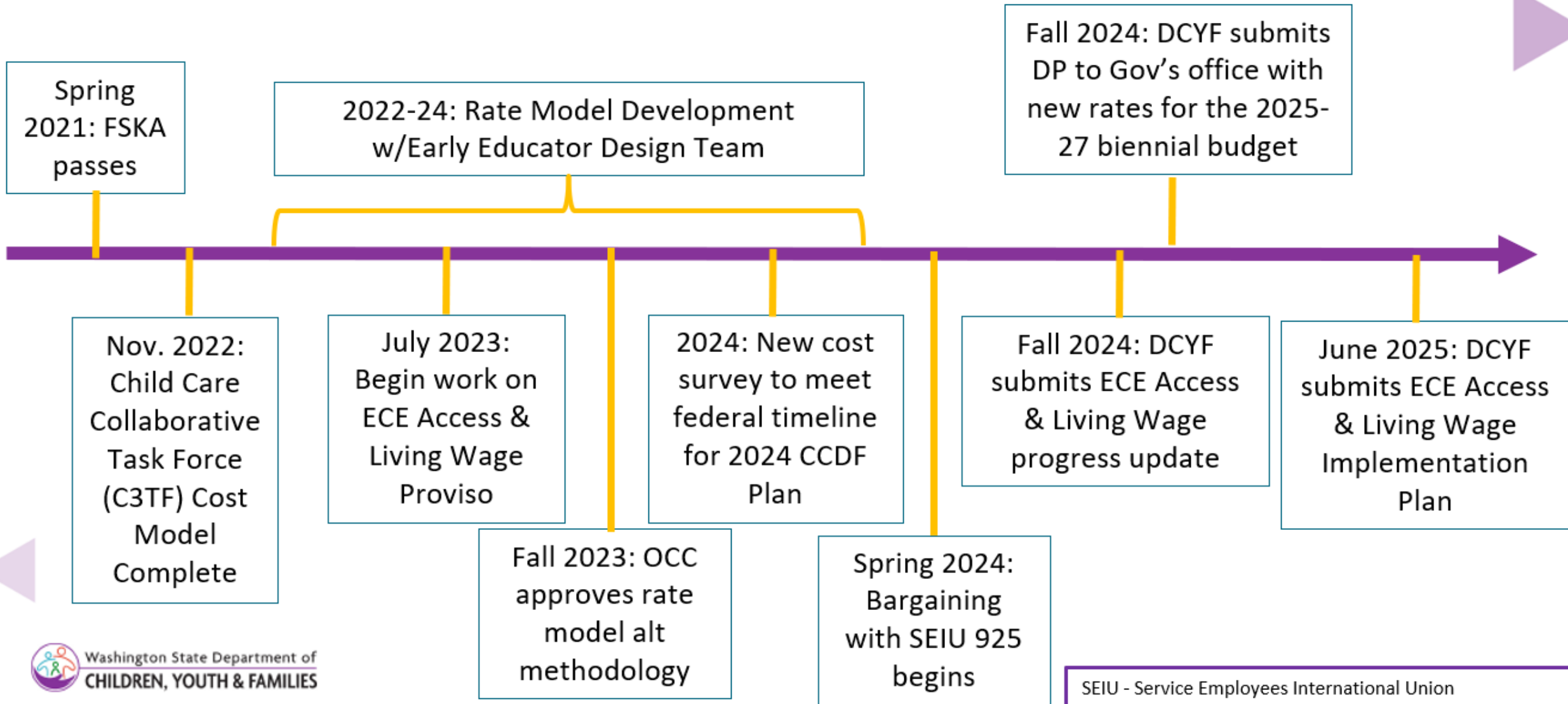
Early Care and Education Access and Living Wage Proviso

The department must submit an implementation plan to expand access to Washington's mixed delivery child care system. The plan must assume that any financial contribution by families is capped at no more than seven percent of household income and that the child care workforce are provided living wages and benefits. The plan must be submitted to the appropriate committees of the legislature by June 30, 2025, and should:

- (a) Follow the intent of chapter 199, Laws of 2021 (FSKA);
- (b) Be aligned with the cost of quality care rate model;
- (c) Include timelines, costs, and statutory changes necessary for timely and effective implementation; and
- (d) Be developed through partnership with the statewide child care resource and referral organization and the largest union representing child care providers, with consultation from families.



Timeline



Cost of Quality Care Model

- Early Education Design Team recommendations on personnel and quality – **DONE**
- Cost of Quality Care Study – **DONE (report in progress)**
- Updating the Cost of Quality Care Calculator – In Progress
- Subsidy rate charts – In Progress
 - Current regions
 - New regions based on recommendations by Early Education Design Team
- Update rate models based on Cost of Quality Care – In Progress



Modeling Cost of Expansion – In Progress

- Modeling costs of expanding eligible population up to 85% SMI
- Modeling costs of expanding eligible population to families paying no more than 7% of their income for care
- Geographic information
- Uptake rates:
 - Historical subsidy uptake
 - Other jurisdictions' uptake experiences when expanding eligibility
 - Price elasticity



Supporting an Access and Living Wage Model

Cash Flow Model

- Looks at the costs for a provider at varying levels of subsidy being paid

Feasibility Study

- Identifying projected costs and needs to successfully implement access & living wage statewide



Developing an Access and Living Wage Model

	2023	Winter 2024	Spring 2024	Summer 2024	Fall 2024
Early Educator Design Team Recommendations	—————				
Cost of Quality Care Study		—————			
Cash Flow Study			—————		
Updating Cost of Quality Care Calculator		—————			
Subsidy Rate Charts		—————			
Update rate models		—————			
Feasibility Study			—————		

Transitioning to Cost of Quality Care Rate Model

- Current subsidy rates are based on 2021 MRS
- DCYF rates are driving the market rate and we expect the 85th percentile to be lower in comparison to current cost of care.

Informing the Work

Access & Living Wage Implementation Plan

CCA's
Advocacy
Campaign

CCA of WA

SEIU 925

Early
Educator
Design
Team

DCYF Staff

IPEL

WCFC

ELAC

Provider
Supports

PAG

Partner
Roundtable
Group



Washington Communities for Children Led Engagement

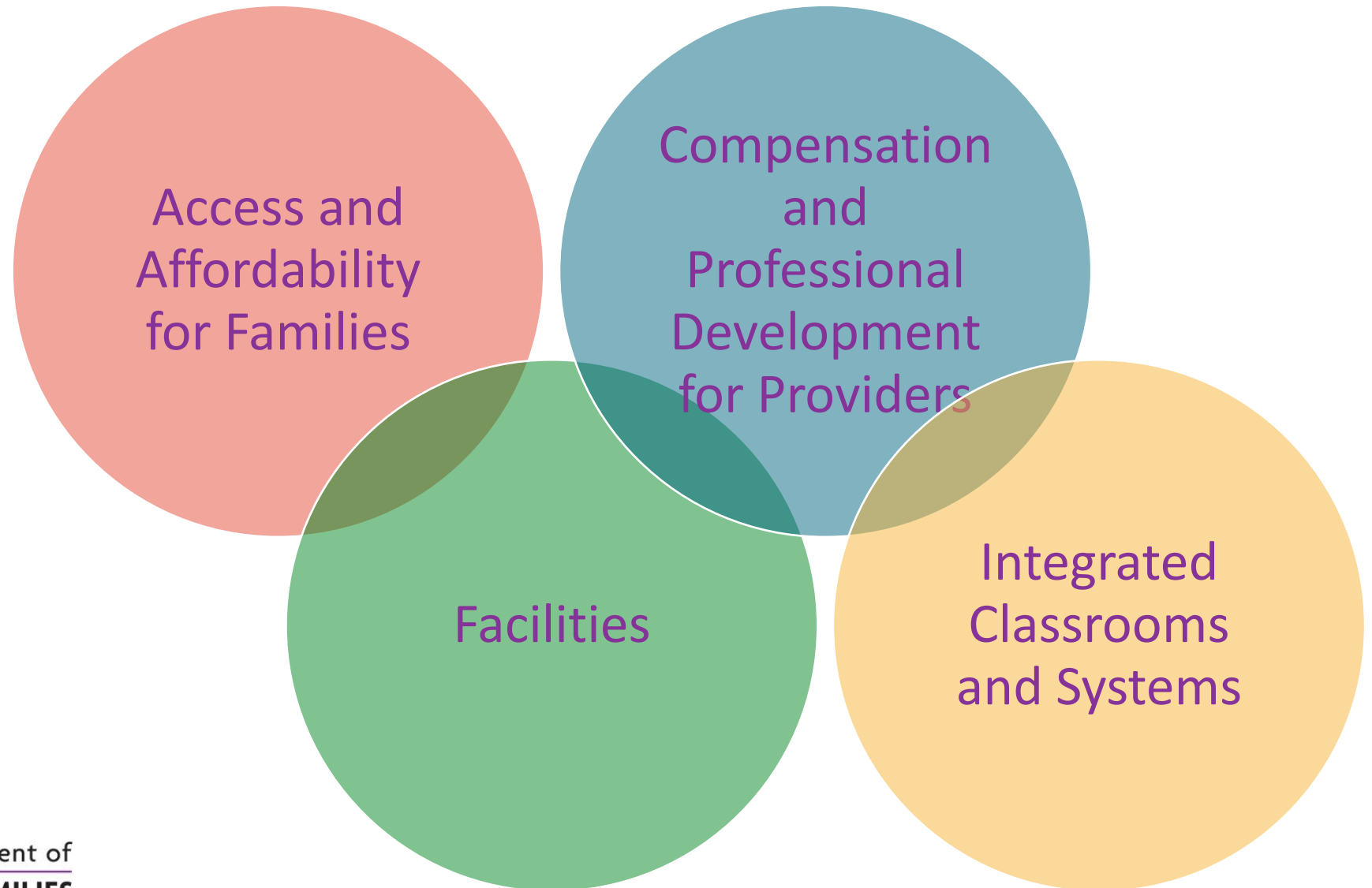
	Listening Sessions	Surveys
Audience	<ul style="list-style-type: none"> Providers Family Members 	<ul style="list-style-type: none"> Providers Family Members
Group Size	5-10 people per session for each region	
Questions	4-5 focused questions	All questions
Engagement Goal	<ul style="list-style-type: none"> Three provider listening sessions per region, with five participants per listening session – 150 child care providers Three family listening sessions per region, with five participants per listening session – 150 parents/families 	<ul style="list-style-type: none"> 250 family survey respondents 250 provider survey respondents

Assumptions

- We are building on previous system development and planning efforts and extensive community input.
- The Cost of Quality Care Rate Model is the framework for achieving living wages and benefits, with the intent that increased rates go towards paying workers.
- We will build upon the existing early care and education system as the mechanism for expanding access to care. We are not seeking to create a new parallel program for child care.
- Changes to child care licensing standards and Early Achievers standards (which are determined at the state agency level) are outside of the scope of this project.
- A system of universal access does not reduce or replace existing care options for children birth to age 12. The goal is to maximize enrollment in all available programs while preserving family choice.



Policy Categories



QUESTIONS

Break-Out Group Questions

Question 1: How can the Early Learning Facilities Fund (ELF) be improved to increase equitable access to state capital dollars for early care and education providers?

Question 2: What resources and infrastructure do providers need to find qualified staff?

Question 3: In addition to funding, what other supports and/or resources would providers need when considering expanding their program space/facility to include infant and toddler care?

