

# HOUSE BILL REPORT

## HB 1511

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**As Reported by House Committee On:**  
Human Services, Youth, & Early Learning

**Title:** An act relating to calculation of income for certain early learning and child care programs.

**Brief Description:** Concerning calculation of income for certain early learning and child care programs.

**Sponsors:** Representatives Reeves, Simmons, Ramel, Leavitt, Rule, Senn, Reed and Fosse.

**Brief History:**

**Committee Activity:**

Human Services, Youth, & Early Learning: 1/31/23, 2/10/23 [DP].

**Brief Summary of Bill**

- Exempts child support payments, Social Security benefits, and Supplemental Security Income (SSI) benefits from the calculation of income for purposes of the Working Connections Child Care (WCCC) program, the Early Childhood Education and Assistance Program (ECEAP), and the Birth-to-Three ECEAP.
- Provides that child support payments, Social Security benefits, and SSI benefits do not factor into the calculation of a family's copayment obligation for purposes of the WCCC program.

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### HOUSE COMMITTEE ON HUMAN SERVICES, YOUTH, & EARLY LEARNING

**Majority Report:** Do pass. Signed by 11 members: Representatives Senn, Chair; Cortes, Vice Chair; Taylor, Vice Chair; Eslick, Ranking Minority Member; Couture, Assistant Ranking Minority Member; Callan, Dent, Goodman, Ortiz-Self, Rule and Walsh.

**Staff:** Omeara Harrington (786-7136).

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

**Background:**

Working Connections Child Care.

Working Connections Child Care (WCCC) is a federally and state-funded program that provides subsidies for child care to families with incomes at or below 60 percent of the state median income (SMI), adjusted for family size, when the household meets other eligibility requirements. Beginning July 1, 2025, a family is eligible for WCCC program benefits when the household's annual income is above 60 percent and at or below 75 percent of the SMI, adjusted for family size, and beginning July 1, 2027, if funds are appropriated, when the household's annual income is up to 85 percent of the SMI, adjusted for family size.

Through the WCCC program, the state pays part of the cost of child care when a parent is working or participating in approved work-related activities. Depending on income, families may be required to pay a copayment to their provider. Monthly copayments are currently calculated as follows:

Household Income:	Maximum Copayment:
At or below 20 percent of the SMI	Waived to the extent allowable under federal law; otherwise, a maximum of \$15
Above 20 percent and at or below 36 percent of the SMI	\$65
Above 36 percent and at or below 50 percent of the SMI	\$90
Above 50 percent and at or below 60 percent of the SMI	\$115 (\$165 beginning July 1, 2023)

Beginning July 1, 2025, the Department of Children, Youth, and Families (DCYF) must calculate a maximum monthly copayment of \$215 for households with incomes above 60 percent and at or below 75 percent of the SMI. Subject to appropriations, the DCYF must adopt a copayment model for households with annual incomes above 75 percent of the SMI and at or below 85 percent of the SMI. The model must calculate a copayment for each household that is no greater than 7 percent of the household's countable income within this income range.

Early Childhood Education and Assistance Program.

The Early Childhood Education and Assistance Program (ECEAP) is the state's voluntary preschool program. Children are eligible for the ECEAP when they are between the ages of 3 and 5 and are from families with incomes at or below 110 percent of the federal poverty level (FPL). Beginning July 1, 2026, eligibility is expanded to include any child who:

- has a family with financial need;
- is experiencing homelessness;
- has participated in Early Head Start or a successor federal program, Early Support for

- Infants and Toddlers (ESIT) program or received class C developmental services, Birth-to-Three ECEAP, or Early Childhood Intervention and Prevention Services (ECLIPSE) program; or
- is Indian as defined in DCYF rule and has a household income at or below 100 percent of the SMI.

"Family with financial need" means families with incomes at or below 36 percent of the SMI adjusted for family size until the 2030-31 school year. Beginning in the 2030-31 school year, it means families with incomes at or below 50 percent of the SMI.

The ECEAP will become an entitlement in the 2026-27 school year for eligible children.

*Additional Enrollment.*

The DCYF rules allow children who do not meet the definition of "eligible child" to enroll in the ECEAP, as space is available, if the family income is:

- above 110 percent of the FPL but less than 130 percent of the FPL; or
- above 130 percent of the FPL but less than 200 percent of the FPL if the child meets at least one of the specified risk factors.

The DCYF must adopt rules that allow children to enroll in ECEAP beginning July 1, 2026, when the child is not eligible, as space is available, if:

- the family income level is above 36 percent of the SMI, but at or below 50 percent of the SMI; and
- the child meets at least one of the specified risk factors.

*Early Entry.*

The DCYF rules allow children to enroll early in the ECEAP, as space is available, when the child is not eligible under statutory criteria and the child turns age 3 at any time during the school year when the child has a family income at or below 200 percent of the FPL or meets at least one risk factor and has received services from or participated in the:

- ESIT program;
- Early Head Start or a successor federal program; or
- Birth-to-Three ECEAP.

Beginning July 1, 2023, the upper threshold for early enrollment will be 50 percent of the SMI, and the list of qualifying services is expanded to include services through the ECLIPSE program.

Birth-to-Three Early Childhood Education and Assistance Program.

In 2019 the DCYF was directed to develop a plan for phased implementation of a Birth-to-Three ECEAP pilot project for eligible children under 36 months old. To be eligible, a child's family income must be at or below 130 percent of the FPL. In 2021 legislation was enacted making the Birth-to-Three ECEAP permanent and subject to appropriations. On or after July 1, 2026, to be eligible, the child must be from a household with income at or

below 50 percent of the SMI.

Calculation of Household Income.

Income obtained through benefits or other payments are generally included in the calculation of household income for purposes of subsidized child care and early learning programs. This includes income from child support payments, Supplemental Security Income (SSI), and Social Security benefits.

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**Summary of Bill:**

Child support payments, Social Security benefits, and SSI benefits do not count toward the calculation of income for purposes of the WCCC program, the ECEAP, or the Birth-to-Three ECEAP. These sources of income also do not factor into the calculation of a family's copayment obligation for purposes of the WCCC program.

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**Appropriation:** None.

**Fiscal Note:** Requested on January 23, 2023.

**Effective Date:** The bill contains multiple effective dates. Please see the bill.

**Staff Summary of Public Testimony:**

(In support) Working families face many challenges, including child care deserts and closures. There is an assumption that when child support is ordered, the person is receiving the whole amount, but that is not always the case. Assessment of income should be measured on what is actually received. Custodial parents are receiving child support payments at rates lower than in the 1990s while the cost of living has gone up. The WCCC program is imperative for the success for single parent households; however many families struggle to pay for child care due to the way that income eligibility is calculated. In one case, a family was receiving WCCC program benefits and Supplemental Nutrition Assistance Programs benefits, allowing the parents to work additional hours. However, one parent died and now the children qualify for Social Security survivor benefits. This puts the family over the limit for WCCC program benefits but does not replace the lost income to the family. In another case, a father's wages were garnished due to past-due child support payments. Payments were inconsistent, but when it did come in, the amount was larger because it was past due. Knowing that eligibility for the WCCC program would be lost, the mother had to quit her job. Now the family again qualifies for food and medical assistance, which costs the state money. The changes in the bill are a small fix in a system for those who need it most. Many families are on the brink of the child care cliff. It is hard to support a family on a fixed income. Counting child support toward WCCC program

eligibility makes it difficult to afford necessities. This money is supposed to be used for clothing, housing, transportation, and school supplies.

(Opposed) None.

**Persons Testifying:** Representative Kristine Reeves, prime sponsor; Amanda Hammond; Jessica Heavner; April Messenger, Washington State Parent Ambassadors; and Christina Griffin, Child Care Resources.

**Persons Signed In To Testify But Not Testifying:** None.