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**SECOND SUBSTITUTE SENATE BILL 5225**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators C. Wilson, Conway, Frame, Hasegawa, Hunt, Keiser, Lovelett, Nguyen, Salomon, Shewmake, Stanford, and Valdez)

READ FIRST TIME 02/23/23.

1 AN ACT Relating to increasing access to the working connections  
2 child care program; amending RCW 43.216.136 and 43.216.1368;  
3 reenacting and amending RCW 43.216.135; adding a new section to  
4 chapter 43.216 RCW; creating a new section; and providing an  
5 effective date.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature acknowledges that the  
8 working connections child care program provides quality child care  
9 for families. The legislature intends to increase access to this  
10 program for certain families.

11 (2) The legislature recognizes that child care providers are  
12 struggling to hire and retain child care employees. As stated in RCW  
13 43.216.749, the legislature intends to systemically increase child  
14 care subsidy rates over time until rates are equal to the full cost  
15 of providing high quality child care to help address these workforce  
16 issues. The legislature intends to provide child care employees with  
17 access to the working connections child care program as a more  
18 immediate benefit while acknowledging that this benefit may not be  
19 needed as child care subsidy rates increase.

20 (3) As stated in RCW 2.30.010, the legislature recognizes that  
21 therapeutic courts provide an opportunity for defendants or

1 respondents to obtain treatment services to address particular issues  
2 that may have contributed to the conduct that led to their issue  
3 before the court. The legislature intends to provide those  
4 participating in these courts with access to the working connections  
5 child care program to help support their success in these courts and  
6 to provide stable and high quality child care for their families.

7 (4) The legislature acknowledges that the working connections  
8 child care program requires children to have a certain immigration  
9 status to be eligible. The legislature intends to expand the working  
10 connections child care program to provide access to child care for  
11 these families.

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

14 (1) Beginning October 1, 2023, a family is eligible for working  
15 connections child care when the household's annual income is at or  
16 below 85 percent of the state median income adjusted for family size  
17 and:

18 (a) The child receiving care is: (i) Less than 13 years of age;  
19 or (ii) less than 19 years of age and has a verified special need  
20 according to department rule or is under court supervision;

21 (b) The applicant or consumer is employed in a licensed child  
22 care center or family home provider, as verified in the agency's  
23 electronic workforce registry; and

24 (c) The household meets all other program eligibility  
25 requirements.

26 (2) The department must waive the copayment to the extent  
27 allowable under federal law; otherwise, a maximum of \$15 for any  
28 applicant or consumer that meets the requirements under this section.

29 **Sec. 3.** RCW 43.216.136 and 2021 c 199 s 202 are each amended to  
30 read as follows:

31 (1) The department shall establish and implement policies in the  
32 working connections child care program to promote stability and  
33 quality of care for children from low-income households. These  
34 policies shall focus on supporting school readiness for young  
35 learners. Policies for the expenditure of funds constituting the  
36 working connections child care program must be consistent with the  
37 outcome measures established by the department and the standards

1 established in this section intended to promote stability, quality,  
2 and continuity of early care and education programming.

3 (2) As recommended by P.L. 113-186, authorizations for the  
4 working connections child care subsidy are effective for ~~((twelve))~~  
5 12 months beginning July 1, 2016.

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

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

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

14 (i) In the last six months have:

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

17 (B) Received child welfare services as defined and used by  
18 chapter 74.13 RCW; ~~((or))~~

19 (C) Received services through a family assessment response as  
20 defined and used by chapter 26.44 RCW; or

21 (D) A parent or guardian participating in a specialty court or  
22 therapeutic court or who is a listed victim in a case in a specialty  
23 court or therapeutic court;

24 (ii) Have been referred for child care as part of the family's  
25 case management as defined by RCW 74.13.020 or as part of the  
26 specialty court or therapeutic court's proceedings; and

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

28 (b) Families who are eligible for working connections child care  
29 pursuant to this subsection do not have to keep receiving services or  
30 keep participating in a specialty court or therapeutic court  
31 identified in this subsection to maintain ~~((twelve))~~ 12-month  
32 authorization.

33 (4)(a) Beginning July 1, 2021, and subject to the availability of  
34 amounts appropriated for this specific purpose, the department may  
35 not require an applicant or consumer to meet work requirements as a  
36 condition of receiving working connections child care benefits when  
37 the applicant or consumer is a full-time student of a community,  
38 technical, or tribal college and is enrolled in:

39 (i) A vocational education program that leads to a degree or  
40 certificate in a specific occupation;

1 (ii) An associate degree program; or

2 (iii) A registered apprenticeship program.

3 (b) An applicant or consumer is a full-time student for the  
4 purposes of this subsection if he or she meets the college's  
5 definition of a full-time student.

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

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

13 (5) The department may not consider the immigration status of an  
14 applicant or consumer's child when determining eligibility for  
15 working connections child care benefits.

16 (6)(a) The department must extend the homeless grace period, as  
17 adopted in department rule as of January 1, 2020, from a four-month  
18 grace period to a (~~twelve~~) 12-month grace period.

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

23 (~~(6)~~) (7) For purposes of this section, "authorization" means a  
24 transaction created by the department that allows a child care  
25 provider to claim payment for care. The department may adjust an  
26 authorization based on a household's eligibility status.

27 **Sec. 4.** RCW 43.216.1368 and 2022 c 297 s 959 are each amended to  
28 read as follows:

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

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

37 (a) The child receiving care is: (i) Less than 13 years of age;  
38 or (ii) less than 19 years of age and has a verified special need  
39 according to department rule or is under court supervision; and

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

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

7 (a) The child receiving care is: (i) Less than 13 years of age;  
8 or (ii) less than 19 years of age and has a verified special need  
9 according to department rule or is under court supervision; and

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

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

17 (a) The child receiving care is: (i) Less than 13 years of age;  
18 or (ii) less than 19 years of age and has a verified special need  
19 according to department rule or is under court supervision; and

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

22 (5) (a) Beginning October 1, 2021, through June 30, 2023, the  
23 department must calculate a monthly copayment according to the  
24 following schedule:

If the household's income is:	Then the household's maximum monthly copayment is:
At or below 20 percent of the state median income	Waived to the extent allowable under federal law; otherwise, a maximum of \$15
Above 20 percent and at or below 36 percent of the state median income	\$65
Above 36 percent and at or below 50 percent of the state median income	\$115 until December 31, 2021, and \$90 beginning January 1, 2022
Above 50 percent and at or below 60 percent of the state median income	\$115

34 (b) Beginning July 1, 2023, the department must calculate a  
35 monthly copayment according to the following schedule:

If the household's income is:	Then the household's maximum monthly copayment is:
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1	At or below 20 percent of the state median income	Waived to the extent allowable under federal law;
2		otherwise, a maximum of \$15
3	Above 20 percent and at or below 36 percent of the state	\$65
4	median income	
5	Above 36 percent and at or below 50 percent of the state	\$90
6	median income	
7	Above 50 percent and at or below 60 percent of the state	\$165
8	median income	

9 (c) Beginning July 1, 2025, the department must calculate a  
10 maximum monthly copayment of \$215 for households with incomes above  
11 60 percent and at or below 75 percent of the state median income.

12 (d) Subject to the availability of amounts appropriated for this  
13 specific purpose, the department shall adopt a copayment model for  
14 households with annual incomes above 75 percent of the state median  
15 income and at or below 85 percent of the state median income. The  
16 model must calculate a copayment for each household that is no  
17 greater than seven percent of the household's countable income within  
18 this income range.

19 (e) The department may adjust the copayment schedule to comply  
20 with federal law.

21 (6) The department must adopt rules to implement this section,  
22 including an income phase-out eligibility period.

23 (7) This section does not apply to households eligible for the  
24 working connections child care program under RCW 43.216.145 and  
25 section 2 of this act.

26 **Sec. 5.** RCW 43.216.135 and 2020 c 355 s 2, 2020 c 321 s 2, and  
27 2020 c 279 s 1 are each reenacted and amended to read as follows:

28 (1) Existing child care providers serving nonschool-age children  
29 and receiving state subsidy payments must complete the following  
30 requirements to be eligible for a state subsidy under this section:

31 (a) Enroll in the early achievers program by August 1, 2016;

32 (b) Complete level 2 activities in the early achievers program by  
33 August 1, 2017; and

34 (c) Rate or request to be rated at a level 3 or higher in the  
35 early achievers program by December 31, 2019. If a child care  
36 provider does not rate at or request to be rated at a level 3 by  
37 December 31, 2019, the provider must complete remedial activities

1 with the department, and must rate at or request to be rated at a  
2 level 3 or higher no later than December 30, 2020.

3 (2) A new child care provider serving nonschool-age children and  
4 receiving state subsidy payments must complete the following  
5 activities to be eligible to receive a state subsidy under this  
6 section:

7 (a) Enroll in the early achievers program within (~~(thirty)~~) 30  
8 days of receiving the initial state subsidy payment;

9 (b) Complete level 2 activities in the early achievers program  
10 within (~~(twelve)~~) 12 months of enrollment; and

11 (c) Rate or request to be rated at a level 3 or higher in the  
12 early achievers program within (~~(thirty)~~) 30 months of enrollment. If  
13 a child care provider does not rate or request to be rated at a level  
14 3 within thirty months from enrollment into the early achievers  
15 program, the provider must complete remedial activities with the  
16 department, and rate or request to be rated at a level 3 or higher  
17 within (~~(twelve)~~) 12 months of beginning remedial activities.

18 (3) If a child care provider does not rate or request to be rated  
19 at a level 3 or higher following the remedial period, the provider is  
20 no longer eligible to receive state subsidy under this section. If a  
21 child care provider does not rate at a level 3 or higher when the  
22 rating is released following the remedial period, the provider is no  
23 longer eligible to receive state subsidy under this section.

24 (4) If a child care provider serving nonschool-age children and  
25 receiving state subsidy payments has successfully completed all level  
26 2 activities and is waiting to be rated by the deadline provided in  
27 this section, the provider may continue to receive a state subsidy  
28 pending the successful completion of the level 3 rating activity.

29 (5) The department shall implement tiered reimbursement for early  
30 achievers program participants in the working connections child care  
31 program rating at level 3, 4, or 5.

32 (6) The department shall account for a child care copayment  
33 collected by the provider from the family for each contracted slot  
34 (~~(and establish the copayment fee by rule)~~).

35 NEW SECTION. **Sec. 6.** Section 3 of this act takes effect October  
36 1, 2023.

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