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## Early Learning & Human Services Committee

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### ESSB 5752

**Brief Description:** Modifying child care and early childhood development programs.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Wilson, C., Robinson and Dhingra).

#### Brief Summary of Engrossed Substitute Bill

- Delays the date that the Early Childhood Education and Assistance Program (ECEAP) becomes an entitlement for eligible children from the 2026-27 school year to the 2030-31 school year.
- Makes upcoming changes to ECEAP eligibility that are currently set to take effect on July 1, 2026, instead take effect July 1, 2025.
- Removes provisions that currently allow, and later entitle, children who are a member of an assistance unit that is eligible for or receiving basic food benefits to enroll in ECEAP.
- Delays eligibility expansions for the Working Connections Child Care (WCCC) program by four years, and modifies copay schedules.
- Repeals expanded WCCC eligibility for state registered apprentices and child care employees, and removes provisions exempting state registered apprentices from WCCC work requirements.
- Requires the Department of Children, Youth, and Families (DCYF) to adopt rules requiring prospective WCCC payments to providers, with certain conditions.
- Removes provisions that delay the start of a family's 12-month WCCC authorization period to when the child is expected to begin care.

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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.*

- Makes certain provider supports subject to appropriation, and reiterates that the Birth to Three ECEAP is subject to appropriation.
- Requires the DCYF to publish a cost of quality child care and market rate study every two years.

**Hearing Date:** 3/25/25

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

**Background:**

The Department of Children, Youth, and Families (DCYF) is the state agency responsible for overseeing child care and early learning programs, including licensing child care businesses, administering child care subsidies, administering state-funded early learning programs, and providing other services and supports. The DCYF also administers the Early Achievers, which is the state's quality recognition and improvement system for participating early learning and school-aged programs.

The Early Childhood Education and Assistance Program.

The Early Childhood Education and Assistance Program (ECEAP) is the state's no-cost preschool and family support program. Children are eligible for the ECEAP when they are between the ages of 3 and 5 and are from families with a household income at or below 110 percent of the federal poverty level (FPL).

Beginning July 1, 2026, eligibility will expand 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, the Early Support for Infants and Toddlers program or received class C developmental services, the Birth to Three ECEAP, or the Early Childhood Intervention and Prevention Services program; or
- is Indian as defined in DCYF rule and has a household income at or below 100 percent of the state median income (SMI).

"Family with financial need" means families with a household income at or below 36 percent of the SMI until the 2030-31 school year. Beginning in the 2030-31 school year, it includes families with income at or below 50 percent of the SMI.

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

*Expanded Enrollment and Early Entry.*

The DCYF rules allow children who do not meet standard eligibility criteria to enroll in the

ECEAP, as space is available, if the family household income is:

- above 110 percent of the FPL but no more than 130 percent of the FPL; or
- above 130 percent of the FPL but no more than 200 percent of the FPL if the child meets at least one specified risk factor.

Beginning July 1, 2026, expanded enrollment will be available, subject to capacity, 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 specified risk factor.

The DCYF may also allow a child to enroll early in the ECEAP, as space is available, when the child will turn age 3 during the school year and meets other criteria.

*The Birth to Three Early Childhood Education and Assistance Program.*

The Birth to Three ECEAP serves children under 36 months old with a family income at or below 130 percent of the FPL. 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. Funds to implement the Birth to Three ECEAP may be from a combination of federal, state, or private sources, and the program is subject to the availability of amounts appropriated for this specific purpose.

*Eligibility and Allowed Enrollment for Children Eligible for Food Benefits.*

A child who meets age requirements for the ECEAP or the Birth to Three ECEAP is authorized to enroll in the program, subject to available program capacity, if they are a member of an assistance unit that is eligible for or receiving Basic Food benefits under either the federal Supplemental Nutrition Assistance Program or the state Food Assistance Program. Starting August 1, 2030, a child who is eligible for or receiving Basic Food benefits is eligible for, and entitled to, an ECEAP slot under normal enrollment criteria.

Working Connections Child Care.

Working Connections Child Care (WCCC) is a program that provides subsidies for child care while a parent is working or participating in approved work-related activities. The WCCC program is federally and state funded. Federal funding is through the Child Care and Development Fund (CCDF).

*Eligibility for WCCC.*

The WCCC program is available to families who meet certain eligibility and household income requirements. In general, to qualify for the WCCC program, a family must have a household income at or below 60 percent of the SMI, adjusted for family size. Beginning July 1, 2025, a family is eligible for WCCC 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.

Examples of other eligibility requirements include that the child is age-eligible, that the parent

and child reside in Washington, that the parent has parental control of the child, and that the parent does not have assets exceeding a certain threshold. Additionally, to be eligible for WCCC benefits, the parent must be engaged in an approved activity as defined in agency rules. Approved activities include employment, self-employment, certain educational and training programs, and other identified activities.

Depending on income, families may be required to pay a monthly copayment to their provider. Copayments are calculated as a flat rate per household, 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	\$165
Above 60 percent and at or below 75 percent of the SMI	\$215 (Starting July 1, 2025)

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, subject to appropriations approving WCCC eligibility for households with an income of up to 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.

*Approved Activities Exemptions.*

The DCYF may not require an applicant or consumer to meet work requirements as a condition of receiving WCCC benefits when the recipient is enrolled in a state registered apprenticeship or is a full-time student of a community, technical, or tribal college, and is enrolled in certain programs. A family's participation in the Birth to Three ECEAP or Early Head Start also satisfies the work requirement for purposes of the WCCC program. Subject to appropriations, the DCYF may waive work requirements for full-time students who are enrolled in a bachelor's degree or applied baccalaureate degree program.

*Expanded Eligibility.*

There are several categories of expanded eligibility for the WCCC program. These categories include:

- employees of licensed or certified child care providers with a household income at or below 85 percent of the SMI;

- persons in their first 12 months of a state registered apprenticeship when the person has a household income that does not exceed 75 percent of the SMI at the time of application, or, beginning July 1, 2027, does not exceed 85 percent of the SMI at the time of application if funds are appropriated to increase the generally applicable income eligibility threshold for the WCCC program to 85 percent of the SMI; and
- parents who are high school students or are 21 years old or younger and working toward completing a high school equivalency certificate, and whose household income does not exceed 85 percent of the SMI.

Persons in these categories must otherwise meet program eligibility requirements in order to qualify for the WCCC program. Copays are waived in some, but not all circumstances.

#### *Authorization and Reimbursement.*

Authorizations for the WCCC program are effective for 12 months. A household's 12-month authorization begins on the date that child care is expected to begin. If a newly eligible household does not begin care within 12 months of being determined eligible by the DCYF, the household must reapply in order to qualify for WCCC benefits.

Child care providers are required to track daily attendance of children approved for the WCCC subsidy and report to DCYF. Reimbursement to the provider is authorized if the child attended at least one day during the month of service. Providers are reimbursed retroactively, with payment occurring in the month following the month of service. Recent federal CCDF rule changes require providers to be paid based on enrollment, rather than attendance, and on a prospective basis.

#### Provider Supports.

##### *Trauma-Informed Care Supports.*

The DCYF must provide supports to aid eligible providers in providing trauma-informed care. Supports may be used by eligible providers for certain purposes including additional compensation for individuals with specialty credentials, professional development and training, screening tools and assessment materials, supportive services, and other related expenses.

##### *Dual Language Provider Supports.*

The DCYF is required to maintain a dual language designation and provide subsidy rate enhancements or site-specific grants for qualifying licensed or certified child care providers and ECEAP or Birth to Three ECEAP contractors. Rate enhancements and site-specific grants are intended to be used for increased wages for individual staff who provide bilingual instruction, professional development training, the purchase of dual language and culturally appropriate curricula and accompanying training programs, instructional materials, or other related expenses.

##### *Infant and Early Childhood Mental Health Consultation.*

The DCYF is required to administer or contract for infant and early childhood mental health consultation services for Early Achievers participating providers. The infant and early childhood

mental health consultants must support Early Achievers program coaches and child care providers by providing resources, information, and guidance regarding challenging behavior and expulsions and may travel to assist providers in serving families and children with severe behavioral needs.

#### Cost of Quality Care and Market Rate Study.

As a condition of receiving federal CCDF funding, states must conduct a statistically valid and reliable child care market rate survey or analysis under a pre-approved alternative methodology every three years and publish a report analyzing the findings of the study. States must set CCDF-supported child care subsidy payment rates in accordance with the study findings.

Washington has enacted a statutory requirement that the base reimbursement rate for WCCC must achieve the eighty-fifth percentile of market for licensed or certified child care providers, which aligns with the benchmark established in CCDF guidelines.

The DCYF published its most recent market rate survey in July of 2024. In addition to the market rate survey, the DCYF published a cost of quality model under a federally pre-approved methodology that utilized a cost estimation model to analyze the true cost to provide high quality child care in Washington.

#### **Summary of Bill:**

##### The Early Childhood Education and Assistance Program.

The date that the Early Childhood Education and Assistance Program (ECEAP) becomes an entitlement for eligible children is delayed by four years, to the 2030-31 school year.

The change in the family income measure for ECEAP eligibility from 110 percent of the federal poverty level to 36 percent of the state median income (SMI), and other eligibility changes that are currently set to take effect on July 1, 2026, instead take effect on July 1, 2025.

Provisions are removed that initially allow, and later entitle, children who are members of an assistance unit that is eligible for or receiving basic food benefits to enroll in ECEAP.

Enrollment in the Birth to Three ECEAP is allowed as space is available. It is reiterated that enrollment is subject to the availability of appropriated funding.

##### Working Connections Child Care.

Income eligibility increases for the Working Connections Child Care program (WCCC) are delayed by four years. Beginning July 1, 2029, a family is eligible for WCCC 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, 2031, if funds are appropriated, when the household's annual income is up to 85 percent of the SMI, adjusted for family size.

Expanded WCCC eligibility for child care employees and registered apprentices is removed, as is the exemption from the WCCC work requirements for state registered apprentices.

Beginning October 1, 2025, through September 30, 2026, the Department of Children, Youth, and Families (DCYF) must calculate a monthly copayment according to the following schedule:

Household's income:	Maximum Copayment:
At or below 20 percent of the SMI	\$0
Above 20 percent and at or below 36 percent of the SMI	\$100
Above 36 percent and at or below 50 percent of the SMI	\$160
Above 50 percent and at or below 60 percent of the SMI	\$255
Above 60 percent of the SMI	\$310

Beginning October 1, 2026, the DCYF must calculate a monthly copayment according to the following schedule:

Household income:	Base monthly copayment:	Each additional child:
Below 25 percent of the SMI	\$0	\$0
At or above 25 percent and below 35 percent of the SMI	25 percent of the state median income for a household of two, multiplied by 5 percent	+20 percent of the base monthly copayment for each additional child
At or above 35 percent and below 45 percent of the SMI	35 percent of the state median income for a household of two, multiplied by 5.5 percent	+20 percent of the base monthly copayment for each additional child
At or above 45 percent and below 55 percent of the SMI	45 percent of the state median income for a household of two, multiplied by 6 percent	+20 percent of the base monthly copayment for each additional child
At or above 55 percent of the SMI	55 percent of the state median income for a household of two, multiplied by 6.5 percent	+20 percent of the base monthly copayment for each additional child

The DCYF must adjust the copayment schedule to comply with federal law.

The changes made to WCCC eligibility only apply prospectively to applications and reapplications taking place on or after July 1, 2025. The changes made to the WCCC copayment schedule only apply to new applications and reapplications on or after October 1, 2025. Families with a current WCCC authorization as of October 1, 2025, must not have their copayments adjusted according to the October 1, 2025, through September 30, 2026, copayment schedule

until their reapplication. Families with a current WCCC authorization when the updated schedule goes into effect on October 1, 2026, may not have their copayment adjusted until their reapplication.

The DCYF must adopt rules requiring prospective payment to providers who accept WCCC subsidies. Payment must occur when child care is expected to begin. The DCYF must also adopt rules prohibiting child care providers who accept WCCC subsidies from claiming prospective payment when a child has not attended at least one day within the authorization period in the previous month.

The 12-month WCCC authorization period runs from the date of authorization, rather than the date that child care is expected to begin.

#### Provider Supports.

Certain provider supports are made subject to appropriation, including:

- supports to aid eligible providers in providing trauma-informed care;
- the dual language subsidy rate enhancements; and
- infant and early childhood mental health consultation services.

The changes to trauma-informed care supports and dual language rate enhancements do 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.

#### Cost of Quality Care and Market Rate Study.

By June 1 of each even-numbered year, the DCYF must publish a cost of quality child care and market rate study and submit the study to the Legislature.

**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on March 18, 2025

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