

HOUSE BILL REPORT

ESSB 5752

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

Title: An act relating to modifying child care and early childhood development programs.

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 History:

Committee Activity:

Early Learning & Human Services: 3/25/25, 3/28/25 [DPA].

Brief Summary of Engrossed Substitute Bill
(As Amended by Committee)

- 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 on 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 income eligibility expansions for the Working Connections Child Care (WCCC) program by four years, and repeals expanded WCCC eligibility for child care employees.
- 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

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.

authorization period to when the child is expected to begin care.

- 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.
- Requires the DCYF to partner with a school district and a metropolitan park district to conduct a pilot to increase access to school-age-only child care programs.

HOUSE COMMITTEE ON EARLY LEARNING & HUMAN SERVICES

Majority Report: Do pass as amended. Signed by 8 members: Representatives Bergquist, Chair; Cortes, Vice Chair; Eslick, Ranking Minority Member; Bernbaum, Dent, Goodman, Ortiz-Self and Taylor.

Minority Report: Do not pass. Signed by 1 member: Representative Penner.

Minority Report: Without recommendation. Signed by 2 members: Representatives Burnett, Assistant Ranking Minority Member; Hill.

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 Amended 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 is removed.

The changes made to WCCC eligibility only apply prospectively to applications and reapplications taking place on or after July 1, 2025.

The Department of Children, Youth, and Families (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.

Pilot to Increase Access to School-Age Child Care Programs.

The DCYF must partner with a school district and a metropolitan park district to conduct a pilot to increase access to school-age-only child care programs. The pilot must examine processes and system changes to decrease the administrative, regulatory, and financial burdens on school-age-only child care providers operating in public school buildings. Specifically, the pilot must: explore and test the feasibility and impact of licensing all child-friendly areas in school buildings; explore and test methods for streamlining access to the WCCC program so that the school district, the park district, and their child care partners can expand access for families; and identify any needed process, regulatory, or system modifications.

The pilot site must be in a city west of the Cascade Mountain Range with a population between 215,000 and 250,000 residents and the capacity to serve at least 27,000 students. The park district of the partner site must be willing to provide up to \$300,000 in funding to support the work of the partnership, with the total determined after negotiating the workload.

The DCYF must submit a report to the Legislature by July 1, 2028, that includes the pilot's successes and challenges, any recommended changes to regulatory requirements, and the pilot's outcomes for child care program staff, school staff, and students.

Amended Bill Compared to Engrossed Substitute Bill:

The striking amendment makes the following changes to the underlying bill:

- reinstates current law prohibiting the Department of Children, Youth, and Families (DCYF) from requiring an applicant or consumer who is in a state registered apprenticeship program to meet work requirements as a condition of receiving Working Connections Child Care (WCCC) benefits;
- reinstates current law providing expanded eligibility for WCCC benefits to persons in their first year of a state registered apprenticeship;
- removes provisions adopting new copay schedules for the WCCC program and reinstates the current law copay schedule;
- requires the DCYF to partner with a school district and a metropolitan park district in a city meeting certain eligibility criteria to conduct a pilot to increase access to school-age-only child care programs; and

- modifies an effective date to align with other effective dates that are modified in the underlying bill.

Appropriation: None.

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

Effective Date of Amended Bill: Sections 1, 3, and 5 through 21 of the bill contain an emergency clause and take effect July 1, 2025. The remainder of the bill contains multiple effective dates. Please see the bill.

Staff Summary of Public Testimony:

(In support) None.

(Opposed) The repeal of expanded Working Connections Child Care (WCCC) eligibility is problematic and is contradictory to prior legislative efforts to strengthen the economy and support working families. Child care is the primary barrier for state registered apprentices, who lose all access to benefits when they enroll in an apprenticeship and start earning a wage. The current law provides just one year of WCCC eligibility, which is a huge benefit to the building trades, and helps keep people off of public assistance. The bill also repeals expanded access to WCCC for child care providers. This will negatively affect providers and will exacerbate underlying systemic issues with provider recruitment and retention. The savings is negligible compared to what the state will lose. Expanded WCCC eligibility is an attractive benefit to childcare workers, and is one of the best tools available to stabilize the early learning workforce. The expanded eligibility is currently being utilized by talented teachers, some of whom are Early Childhood Education and Assistance Program (ECEAP) providers or have specialties that make them hard to replace. Child care businesses have invested greatly in these providers. Businesses will close due to this change, and providers will be lost who are needed to expand ECEAP capacity. It is not an option to offer free child care to staff, because the waived tuition has to be included in earnings, which the provider has to pay taxes on and may result in loss of access to other programs.

The existing child care infrastructure is not prepared to absorb ECEAP entitlement, especially in light of the destabilizing impacts of transitional kindergarten. Also, the delays to the WCCC eligibility expansion may be necessary, but the state cannot afford to move backward in other critical areas. Raising copays, even modestly, will have a drastic impact on families already burdened by rising costs, and equally important is the need to preserve guaranteed childcare eligibility for early learning educators who are deeply underpaid.

(Other) The delay to the ECEAP entitlement is sad, but necessary. In addition to the budget deficit, ECEAP faces challenges recruiting and retaining the teachers necessary to meet the

entitlement demand. The Birth to Three ECEAP provides wraparound services that support physical and mental health and development, and is shown to lessen child protective services involvement in families experiencing high levels of trauma. Previous versions of the bill eliminated Birth to Three ECEAP altogether; the current language that retains the program subject to appropriations will allow future funding to renew the program when circumstances improve.

Making provider supports subject to appropriations signals that these important programs will be defunded. Cuts to infant and early childhood mental health consultations will mean that thousands of children will not be given the emotional, behavioral, and developmental supports they need. Dual language learning programs are an intervention point and can help lead to stronger literacy, development and, executive functioning skills like self-control, positive peer relationships, and self-initiative.

Persons Testifying: (Opposed) Kerra Bower, Little Scholars Development Center, LLC and Raze Development Inc; Heather Kurtenbach, Washington State Building and Construction Trades Council; Laura Murphey, Taylor Tots Childcare; Colleen Condon, Lilac City Early Learning Center; and Amy Anderson, Washington Childcare Centers Association.

(Other) Melissa Johnson, Washington State Association of Head Start and ECEAP; Kristin Wiggins, Perigee Fund, Akin; and Emily Murphy, Child Care Aware of Washington.

Persons Signed In To Testify But Not Testifying: None.