

SENATE BILL REPORT

ESSB 5752

As Passed Senate, March 12, 2025

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: Ways & Means: 2/25/25, 2/27/25 [DPS, DNP, w/oRec].

Floor Activity: Passed Senate: 3/12/25, 32-16.

Brief Summary of Engrossed First Substitute Bill

- Delays the entitlement date for the Early Childhood Education and Assistance Program (ECEAP) by four years and modifies the implementation date for expanded enrollment.
- Makes the Birth-to-Three ECEAP Program subject to appropriations.
- Delays the Working Connections Child Care (WCCC) Program eligibility expansions by four years.
- Increases WCCC copayment amounts, beginning October 1, 2025, and modifies the WCCC copayment schedule, beginning October 1, 2026.
- Makes certain provider supports subject to appropriation and repeals certain WCCC expanded eligibility and work requirement waiver provisions.
- Requires 12-month WCCC authorization to begin upon eligibility determination.
- Requires prospective payment to child care providers to occur when child care is expected to begin, and payment to end if a child did not attend in the prior month.

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.

- Directs DCYF to publish a cost of quality child care and market rate study by June 1st of every even-numbered year.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5752 be substituted therefor, and the substitute bill do pass.

Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Cleveland, Conway, Dhingra, Hansen, Hasegawa, Kauffman, Pedersen, Riccelli, Saldaña, Wellman and Wilson, C..

Minority Report: Do not pass.

Signed by Senators Schoesler, Ranking Member, Capital; Muzzall and Wagoner.

Minority Report: That it be referred without recommendation.

Signed by Senators Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Dozier, Assistant Ranking Member, Capital; Boehnke, Braun and Warnick.

Staff: Josh Hinman (786-7281)

Background: Early Childhood Education and Assistance Program. The Early Childhood Education and Assistance Program (ECEAP) is a voluntary preschool and family support program administered by the Department of Children, Youth, and Families (DCYF). Children are eligible for ECEAP when they are between the ages of three and five, and are from families with incomes at or below 110 percent of the Federal Poverty Level (FPL). Families may also be eligible under certain other criteria, including children eligible for special education due to a disability, and certain other risk factors.

ECEAP becomes an entitlement for eligible children beginning in the 2026-27 school year.

Beginning July 1, 2026, an eligible child means a three to five-year old child who is not age-eligible for kindergarten, is not a participant in a federal or state program providing comprehensive services, and who:

- Has a family with financial need;
- Is experiencing homelessness;
- Has participated in early head start, the early support for infants and toddlers program or received class C developmental services, the birth to three early childhood education and assistance program, or the early childhood intervention and prevention services program;
- Is eligible for special education due to disability;
- Is Indian and is at or below 100 percent of State Median Income (SMI) adjusted for

- family size; or
- Meets criteria under rules adopted by the department if the number of such children equals not more than ten percent of the total enrollment.

Birth-to-Three Early Childhood Education and Assistance Program. In 2019, 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 within resources available under the federal Preschool Development Grant. To be eligible, a child's family income must be at or below 130 percent of the federal poverty level. The Birth-to-Three ECEAP Pilot Project must be delivered through licensed child care providers.

Beginning July 1, 2026, Birth-to-Three ECEAP expands eligibility to families with a household income at or below 50 percent of SMI, subject to appropriations.

Subsidized Child Care. The Working Connections Child Care (WCCC) Program is a federally and state-funded program that provides subsidies for child care to families with incomes at or below 60 percent of SMI, or meet certain categorical eligibility criteria. The state pays the cost of child care, minus the family's copayment amount, when a parent is working or participating in approved work-related activities.

Working Connections Child Care Income Expansion. Beginning July 1, 2025, a family is eligible for the WCCC Program benefits when the household's annual income is above 60 percent and at or below 75 percent of SMI. Beginning July 1, 2027, subject to appropriations, a family is eligible if the household's annual income is up to 85 percent of SMI.

Child Care Employees. A family is eligible for the WCCC Program when the household's annual income is at or below 85 percent of SMI and:

- the child is younger than 13, or younger than 19 with a special need;
- the applicant or consumer is employed in a licensed child care center or family home provider; and
- the household meets all other WCCC Program eligibility requirements.

DCYF must waive the copayment to the extent allowable under federal law.

State Registered Apprenticeships. A person is eligible to receive WCCC Program benefits for the first 12 months of the person's enrollment in a state registered apprenticeship when:

- the person has a household income that does not exceed 75 percent of SMI at the time of application;
- the child receiving care is younger than 13 years old, or is younger than 19 years old and has a verified special need or is under court supervision; and
- the household meets all other WCCC Program eligibility requirements.

Subject to appropriations, DCYF may not require an applicant or consumer to meet work

requirements as a condition of receiving the WCCC Program benefits when the recipient is registered in a state registered apprenticeship program.

Copayments. Depending on income, eligible families may be required to pay a copayment to their provider. The copayment amount is established in statute:

- \$0 for households at or below 20 percent of SMI;
- \$65 for households at or below 36 percent of SMI;
- \$90 for households at or below 50 percent of SMI;
- \$165 for households at or below 60 percent of SMI; and
- \$215 for households above 60 percent of SMI.

12-Month Authorization. The federal CCDF Block Grant provides funding to support WCCC. As a condition of receiving this federal funding, CCDF rules require states to provide a minimum 12-month child care subsidy eligibility period to eligible families. Washington State law allows for a household's 12-month authorization period to begin 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, the household must reapply in order to qualify for subsidy.

Provider Reimbursement. For a child approved for subsidy, child care providers are required to track daily attendance 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 therefore reimbursed retroactively and payment occurs in the month following the month of service.

Provider Supports. *Infant and Early Childhood Mental Health Consultation.* DCYF must have or contract for one coordinator and must enter into a contract with an organization providing Early Achievers coaching services to hire at least 12 consultants. DCYF must determine, in collaboration with the statewide child care resource and referral network, where the additional consultants should be sited based on factors such as the total provider numbers overlaid with indicators of highest need.

Trauma-Informed Care Supports. 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 Rate Enhancements. DCYF must establish a dual language designation and provide subsidy rate enhancements or site-specific grants for licensed or certified child care providers, and ECEAP or Birth-to-Three ECEAP contractors.

Market Rate Survey. The federal CCDF Block Grant provides funding to support WCCC. As a condition of receiving this federal funding, CCDF rules require states to conduct a

statistically valid and reliable survey of the market rates for child care services, or an alternative methodology, such as a cost estimation model that has been approved by the Administration for Children and Families within the U.S. Department of Health and Human Services every three years. State lead agencies must ensure that the market rate survey or an alternative methodology reflects variations by geographic location, category of provider, and age of child. They must set payment rates for child care subsidies based on the most recent market rate survey or alternative methodology.

Summary of Engrossed First Substitute Bill: Early Childhood Education and Assistance Program. The ECEAP entitlement is delayed from the 2026-27 school year to the 2030-31 school year.

The expanded definition of eligible child and the expanded enrollment provisions for ECEAP take effect July 1, 2025, instead of July 1, 2026.

A child who is a member of an assistance unit that is eligible for or is receiving basic food benefits is removed from the definition of eligible child for ECEAP and expanded enrollment provisions.

Birth-to-Three ECEAP. The Birth-to-Three ECEAP Program is made subject to appropriations and enrollment as space is available.

Subsidized Child Care. Working Connections Child Care Eligibility Expansion. The WCCC income eligibility expansion from 60 to 75 percent of SMI is delayed from July 1, 2025, to July 1, 2029.

The WCCC income eligibility expansion from 75 to 85 percent of SMI, which is subject to appropriations, is delayed from July 1, 2027, to July 1, 2031.

Child Care Employees. The eligibility expansion for child care employees is repealed.

State Registered Apprenticeships. The eligibility expansion for state registered apprenticeships is repealed. The waiver of work requirements for state registered apprenticeships is also repealed.

Copayments. Beginning October 1, 2025, for new applicants and reapplicants, copayment amounts are modified to the following schedule:

- \$0 for households at or below 20 percent of SMI;
- \$100 for households at or below 36 percent of SMI;
- \$160 for households at or below 50 percent of SMI;
- \$255 for households at or below 60 percent of SMI; and
- \$310 for households above 60 percent of SMI.

Beginning October 1, 2026, for new applicants and reapplicants, copayment amounts are

modified to the following schedule:

If the household's income is:	Then the household's base monthly copayment is:	Each additional child in that household is:
Below 25 percent of the SMI	\$0	\$0
At or above 25 percent and below 35 percent of the SMI	25 percent of the SMI for a household of two, multiplied by 5 percent	Plus 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 SMI for a household of two, multiplied by 5.5 percent	Plus 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 SMI for a household of two, multiplied by 6 percent	Plus 20 percent of the base monthly copayment for each additional child
At or above 55 percent of the SMI	55 percent of the SMI for a household of two, multiplied by 6.5 percent	Plus 20 percent of the base monthly copayment for each additional child

12-Month Authorization. A household's 12-month authorization begins at the time of eligibility determination, as opposed to when child care is expected to begin.

Provider Reimbursement. DCYF must adopt a rule that requires prospective payment to child care providers who accept child care subsidies to occur when child care is expected to begin, and another rule that prohibits child care providers from claiming a prospective payment when a child has not attended at least one day within the authorization period in the previous month.

Provider Supports. The following provider supports are made subject to appropriations:

- infant and early childhood mental health consultation;
- trauma-informed care supports; and
- dual language rate enhancements.

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

Market Rate Survey. DCYF must publish a cost of quality child care and market rate study and submit the study to the relevant committees of the Legislature by June 1st of every

even-numbered year.

Appropriation: The bill contains a section or sections to limit implementation to the availability of amounts appropriated for that specific purpose.

Fiscal Note: Requested on March 12, 2025.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains several effective dates. Please refer to the bill.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* CON: We understand it is a tough budget. However child care is the foundation of the economy and we cannot afford to balance the budget on the backs of working families and providers. Do not cut early learning programs. Protect subsidy rates so that our essential workforce can stay open. We do not want to roll back what we have gained.

The agency has provided us data that, as of November 2024, there are only 12 state registered apprenticeships receiving subsidy. Cutting the apprenticeship program will do more harm than good.

My grandson has autism and this has impacted his learning. ECEAP is helpful for him, especially as an African American, it is important that he gets the help that he needs. With the help of teachers and staff, he will one day take care of himself, be a taxpayer, and be a productive member of society. Please keep ECEAP going.

Allowing child care employees access up to the 85 percent SMI is key and is a reason we have access to affordable child care. No one working in child care can afford child care. This provision is huge for our retention and recruitment efforts. Please consider alternatives. As a child care center for 20 years, I urge the Legislature to make revisions to this bill. While we understand the need for spending priorities and delays, these are some of the most detrimental program cuts.

The infant and early childhood mental health consultation funding needs to be maintained. This program supports child care providers and can impact everyone in a child's life. We touch families and help children develop. This funding also supports job retention, as we see kids with behavioral challenges. Through early intervention these children can develop and avoid expulsion. Cutting this funding would impact thousands of young children who need emotional and development support.

We are concerned that shifting the dual language enhancement to subject to appropriation will result in a budget cut. This funding supports those children who receive care in a non-native language and who require culturally relevant care. If they do not receive this, those

children are at higher risk of falling into the opportunity gap. This funding supports stronger literacy. Now is not the time to take funding away from supports for immigrant populations.

I am a single parent of four children. I am a part-time housekeeper and student. I rely on child care, which I would be unable to afford without subsidy. Also, the revised per-child copay would disproportionately impact my household. Families with multiple children would not be able to afford these copays and this would destabilize the industry. We rely on affordable copays. Please keep the child care system whole so providers don't close and families do not lose access.

Our organization helps break the cycle of homelessness. I represent some of the most vulnerable children, whose safety and stability rely on Early ECEAP. This program provides critical wraparound services that prevent going into other systems. Also, federal support is uncertain right now. Without reliable funding for integrated services like food, housing, and mental health, as a result state investment is even more needed today. By cutting these programs, costs would be pushed to schools, child welfare, and other systems. It is a sound fiscal decision and moral imperative to retain Early ECEAP.

The Early Educator Design Team is a group of providers across Washington who express concerns about this bill. We cannot afford to go backwards. Providers are the backbone of the economy and are struggling to make ends meet. Turnover among these low wage workers is high and families are struggling to afford child care. I understand the budget challenges, yet cuts to child care will only make the economy worse.

I am a parent with children enrolled in before- and after-school care, and I am also a child care worker. Our child care center struggles to maintain its workforce, which decreases child care access. I qualify for subsidy due to the higher SMI provision. If that expansion is cut, we would have 17 employees at our center impacted. Many are single parents and rely on subsidy. I once went through divorce and was grateful for subsidy.

Early ECEAP saved the lives of my daughter and I. I lost my job after domestic violence and having a safe and supportive classroom for my young children was critical. They also wouldn't let me drop out of school, to set an example. Early ECEAP changed my life and my daughter graduates in June. Please protect early learning.

Multiple testifies stated support for progressive revenue and closing the gap on taxation, as opposed to child care budget cuts.

Persons Testifying:

CON: Brian Knowles; Stephanie Smith; Minna Long, Washington State Building & Construction Trades Council; Erika Larson, Holding Hope; Roxana Norouzi, OneAmerica; Alexis Cortes, Parent Advocate/BrightSpark Early Learning Services; Bevette Irvis, Wellspring Family Services; Emily Murphy, Child Care Aware of Washington; Child Care

for WA Roundtable; Caitlin Lankford, Lilac City Early Learning Center; Tasha Fitzgerald; Bob Rudolph; Cierra Ozolin, Multicultural Child and Family Hope Center.

Persons Signed In To Testify But Not Testifying: No one.