
SUBSTITUTE HOUSE BILL 2689

State of Washington

69th Legislature

2026 Regular Session

By House Appropriations (originally sponsored by Representatives Gregerson, Ormsby, and Macri; by request of Office of Financial Management)

READ FIRST TIME 03/02/26.

1 AN ACT Relating to the working connections child care program;
2 amending RCW 43.216.802 and 43.216.828; adding new sections to
3 chapter 43.216 RCW; creating a new section; repealing RCW 43.216.827;
4 providing an effective date; providing an expiration date; and
5 declaring an emergency.

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

7 **Sec. 1.** RCW 43.216.802 and 2025 c 412 s 5 are each amended to
8 read as follows:

9 (1) It is the intent of the legislature to increase working
10 families' access to affordable, high quality child care and to
11 support the expansion of the workforce to support businesses and the
12 statewide economy.

13 (2) A family is eligible for working connections child care when
14 the household's annual income is at or below 60 percent of the state
15 median income adjusted for family size and:

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

19 (b) The household meets all other program eligibility
20 requirements established in this chapter or in rule by the department

1 as authorized by RCW 43.216.055 or 43.216.065 or any other authority
2 granted by this chapter.

3 ~~(3) ((Beginning July 1, 2029, 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 established in this chapter or in rule by the department
12 as authorized by RCW 43.216.055 or 43.216.065 or any other authority
13 granted by this chapter.~~

14 ~~(4) Beginning July 1, 2031, and subject to the availability of
15 amounts appropriated for this specific purpose, a family is eligible
16 for working connections child care when the household's annual income
17 is above 75 percent of the state median income and is at or below 85
18 percent of the state median income adjusted for family size and:~~

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

22 ~~(b) The household meets all other program eligibility
23 requirements established in this chapter or in rule by the department
24 as authorized by RCW 43.216.055 or 43.216.065 or any other authority
25 granted by this chapter.~~

26 ~~(5))~~ Beginning November 1, 2024, when an applicant or consumer
27 is a member of an assistance unit that is eligible for or receiving
28 basic food benefits under the federal supplemental nutrition
29 assistance program or the state food assistance program the
30 department must determine that the household income eligibility
31 requirements in this section are met.

32 ~~((6))~~ (4) The department must adopt rules to implement this
33 section, including an income phase-out eligibility period.

34 ~~((7))~~ (5) The department may not consider the citizenship
35 status of an applicant or consumer's child when determining
36 eligibility for working connections child care benefits.

37 ~~((8))~~ (6) The income eligibility requirements in
38 ~~((subsections))~~ subsection (2) ~~((through (4)))~~ of this section ~~((do))~~
39 does not apply to households eligible for the working connections
40 child care program under RCW 43.216.808 and 43.216.814.

1 **Sec. 2.** RCW 43.216.828 and 2025 c 424 s 957 are each amended to
2 read as follows:

3 (1) It is the intent of the legislature to systemically increase
4 child care subsidy rates over time until rates are equal to the full
5 cost of providing high quality child care.

6 (2) (a) Beginning July 1, 2026, child care subsidy base rates must
7 achieve the 85th percentile of market, as established by the most
8 recent market rate survey published before May 20, 2025, for licensed
9 or certified child care providers.

10 (b) Beginning July 1, 2027, child care subsidy base rates must
11 achieve the 75th percentile of market for licensed or certified child
12 care providers. The state and the exclusive representative for family
13 child care providers must enter into bargaining over the
14 implementation of the subsidy rate increase under this subsection.

15 (3) (a) The department shall (~~build upon the work of the child~~
16 ~~care collaborative task force to develop and implement a child care~~
17 ~~cost estimate model and~~) use the completed child care cost (~~model~~)
18 methodology published in accordance with RCW 43.216.829 to recommend
19 subsidy rates at levels that are sufficient to compensate licensed or
20 certified child care providers for the full costs of providing high
21 quality child care. (~~The department shall consider:~~

22 ~~(i) Adjusting rates to reflect cost of living such as area median~~
23 ~~income, cost of living by zip code, and grouping by categories such~~
24 ~~as rural, suburban, or urban; and~~

25 ~~(ii) Incorporating the rate model for nonstandard child care~~
26 ~~hours developed under section 306, chapter 199, Laws of 2021)) In~~
27 order for the market rate survey to be considered valid for the
28 purpose of informing future rate increases under subsection (2)(b) of
29 this section, the market rate survey must achieve a provider response
30 rate of 65 percent or higher for each child care subsidy rate region.

31 (b) The department shall build upon the work of the child care
32 collaborative task force to evaluate options to support access to
33 affordable health care insurance coverage for licensed or certified
34 child care providers.

35 (4) This section does not interfere with, impede, or in any way
36 diminish the right of family child care providers to bargain
37 collectively with the state through the exclusive bargaining
38 representatives as provided for under RCW 41.56.153.

1 NEW SECTION. **Sec. 3.** (1) By October 1, 2026, the department of
2 children, youth, and families shall adopt rules related to child care
3 provider subsidy payments that allow licensed or certificated child
4 care centers who accept state subsidy payments to claim:

5 (a) A full month of payment for a child who has 10 or fewer
6 absences in a month within the authorization period based on the
7 attendance log from an approved electronic attendance system; and

8 (b) A half month of payment for a child who has attended at least
9 one day in a month within the authorization period, but has 11 or
10 more absences, based on the attendance log from an approved
11 electronic attendance system.

12 (2) For purposes of this section, absences do not include days
13 when the provider is closed due to holidays, professional training
14 days, or allowable closure days.

15 (3) This section expires July 1, 2027.

16 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.216
17 RCW under the subchapter heading "subsidized child care" to read as
18 follows:

19 (1) The department shall adopt rules related to child care
20 provider subsidy payments that allow child care providers who accept
21 state subsidy payments to claim:

22 (a) A full month of payment for a child who has 10 or fewer
23 absences in a month within the authorization period based on the
24 attendance log from an approved electronic attendance system; and

25 (b) A half month of payment for a child who has attended at least
26 one day in a month within the authorization period, but has 11 or
27 more absences, based on the attendance log from an approved
28 electronic attendance system.

29 (2) For purposes of this section, absences do not include days
30 when the provider is closed due to holidays, professional training
31 days, or allowable closure days.

32 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.216
33 RCW under the subchapter heading "subsidized child care" to read as
34 follows:

35 Beginning July 1, 2026, licensed or certified child care
36 providers may not receive a child care subsidy rate that is different
37 than the rate for the subsidy region in which the provider is
38 located.

1 NEW SECTION. **Sec. 6.** RCW 43.216.827 (Prospective payments) and
2 2025 c 412 s 13 are each repealed.

3 NEW SECTION. **Sec. 7.** Section 4 of this act takes effect July 1,
4 2027.

5 NEW SECTION. **Sec. 8.** Except for section 4 of this act, this act
6 is necessary for the immediate preservation of the public peace,
7 health, or safety, or support of the state government and its
8 existing public institutions, and takes effect immediately.

--- END ---