Child Care Subsidy Base Rates

2025 DECISION PACKAGE

This funding <u>request</u> would increase child care subsidy rates based on the 85 percentile of the 2024 Market Rate Survey (MRS) pursuant to <u>RCW 43.216.828</u>. The 2021 Fair Start for Kids Act (FSKA) requires subsidy base rates to achieve the 85 percentile of the market.

To comply with current law, the Department of Children, Youth, and Families (DCYF) is requesting additional funding to increase subsidy rates to reflect the 2024 MRS. Funding would support children and families through increased access and availability, and licensed child care providers through increased rates.

The subsidy rate increase is scheduled to be effective July 1, 2025, impacting approximately 1,600 licensed center providers. Increased subsidy rates will initially support approximately 51,000 children and 30,000 families. The number of children, families, and providers are estimated to continue to increase as subsidy eligibility expands through July 2027.

COMPONENTS

- Increase effective July 1, 2025.
- Subsidy base rates will increase on average by 27 percent statewide.
- The 2024 MRS rates are less than of Cost of Quality Child Care (COQC):

Infant: 62 percent of COQC

Toddlers: 73 percent of COQC

Preschool age: 75 percent of COQC

- School age: 95 percent of COQC

COST

2025 BIENNIUM - \$275.095M

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DCYF Strategic Priority Alignment

- High quality early learning available and affordable to all in Washington.
- Support the early learning workforce.
- Prevention goals connected to early learning.
- 80 percent of Washington children ready for kindergarten.



