

# Early Care and Education Access and Living Wage Implementation Plan Status Update: Fall 2024

## Introduction

The Department of Children Youth and Families' (DCYF) vision for early learning is an integrated, mixed-delivery system of affordable, high-quality early care and education for ALL of Washington's children to support child outcomes, school readiness, and family well-being, regardless of race or income. Options include licensed child care, the Early Childhood Education and Assistance Program (ECEAP), Transition to Kindergarten, developmental preschool, school-age care, and more.

The Early Care and Education (ECE) Access and Living Wage Proviso supports this vision and DCYF's strategic outcomes, building on previous efforts including the [Fair Start for Kids Act](#) (FSKA) and ECEAP entitlement.

The Proviso directs DCYF to submit an Implementation Plan to expand access to Washington's mixed delivery system with family financial contributions capped at no more than 7 percent of family income (an amount considered sustainable for families) and living wages and benefits for the child care workforce. The Implementation Plan is due to the legislature by June 30, 2025<sup>1</sup>. Per the Proviso legislation, the development of the Implementation Plan is guided by a Steering Committee, which includes representation from DCYF, Child Care Aware of Washington, and Service Employees International Union (SEIU) 925, with consultation from families via community outreach.

## The Need

### **Families lack access to affordable high-quality ECE opportunities**

The demand for high-quality, affordable ECE opportunities exceeds the current supply<sup>2</sup>. In 2023, 45 percent of Washington's birth to age 12 population lived in what is defined as extreme child care access deserts<sup>3</sup>. For families able to find ECE services, accessing them remains out of reach for many due to ever increasing costs. According to the [2024 DCYF Cost of Quality Child Care and Market Rate Study](#), child care providers of all types reported increases in private tuition rates across nearly every geographic area and child age category since the last Study was conducted in 2021.

### **Wages and benefits for Washington's ECE workforce are insufficient**

The ECE workforce faces low wages and benefits, which threaten their own economic stability and contribute to widespread staffing shortages and turnover within ECE programs, undermining both access and quality for children and families. According to the most recent data, current reimbursement rates for Working Connections Child Care (WCCC) have fallen below the 85th percentile of private pay rates across most age groups and geographic regions and fall even shorter when compared to the true



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cost of care as outlined in the [Cost of Quality Care Rate Model Recommendations](#).

### **Lack of access to affordable, high-quality early care and education harms our state economy**

Parents of children ages 12 or younger report significant challenges in their ability to work because of inadequate access to child care. Analysis sponsored by Child Care Aware of WA and Ready Nation estimates the costs of turnover, absenteeism, and lost family income associated with child care issues in Washington totaled \$6.9 billion in 2023<sup>4</sup>.

## Near Term Policy Recommendations

Each year state agencies submit decision packages to the Governor’s office with recommendations for the coming state legislative session. DCYF decision packages for 2025 include recommendations for the continuing phased implementation of the Fair Start for Kids Act. The changes below are currently in statute as a part of FSKA. In 2025 the Legislature must allocate resources for implementation of these policies or amend the statute. DCYF’s 2025 decision packages for the 2025-27 biennium relate directly to increasing ECE access and supporting the ECE workforce. They include:

- **Increasing base rates for WCCC** to maintain alignment with the 85th percentile of market rates as required by FSKA.
- **Increasing family eligibility for WCCC up to 75 percent of State Median Income (SMI)** from the current level of 60 percent SMI as required by FSKA.
- **Expanding access to ECEAP to reach entitlement in 2026** as required by FSKA.
- **Making improvements to WCCC in accordance with the 2024 Child Care Development Fund (CCDF) final rule** designed to improve access and affordability for families and payment rates and practices for providers.

## Preliminary Long-Term Recommendations

1. **Ensure families have access to affordable, high quality ECE that meets their needs:** Examples of policy recommendations under exploration include increasing eligibility, further reducing copays (which have already been significantly reduced by FSKA), expanding care options, reducing barriers to participation, and supports for special needs.
2. **Support a thriving ECE workforce:** Examples of policy recommendations under exploration include transitioning to setting subsidy rates based on the Cost of Quality Care Rate Model, ensuring living wages and benefits, and providing resources and supports that help ECE providers to meet requirements and improve quality.
3. **Leverage data and align systems to maximize equity and effectiveness:** Examples of policy recommendations under exploration include supporting integrated classrooms with multiple programs and using data to ensure accountability and effectiveness.

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<sup>1</sup> Washington State 2023-2025 Operating Budget, Sec. 229 (31). Retrieved from <https://lawfilesexternal.wa.gov/biennium/2023-24/Pdf/Bills/Senate%20Passed%20Legislature/5187-S.PL.pdf?q=20230516172937>

<sup>2</sup> Department of Children Youth and Families. Child Care and Early Learning Need and Supply Data Dashboard. Retrieved September 2024. “Need” estimates are derived from U.S. Census Bureau American Community Survey, defined as children with all available parents in the labor force.

<sup>3</sup> <https://www.dcyf.wa.gov/sites/default/files/pdf/reports/FSKA-EvalReport-2023.pdf>

<sup>4</sup> Eco Northwest, Child Care Aware of WA (2024). [Breaking Down: The Economic Cost of Child Care Disruptions in Washington](#).

4. **Ensure adequate facilities for expansion of the ECE system:** Examples of policy recommendations under exploration include expansion of Early Learning Facilities Grants and associated supports.

## Process for Developing the ECE Access and Living Wage Implementation Plan

The policy recommendations included in the ECE Access and Living Wage Implementation Plan are informed by existing work; provider, family, and partner engagement; and exploration of comparable efforts in other states, and nationally.

### Existing policies investments, and programs

Recent progress to improve ECE access and support the workforce includes efforts to understand the scope of the problem and explore possible solutions as well as implementation of improved policies and investments to begin to address the needs of Washington’s children and families and the ECE professionals who serve them. Critically continued implementation progress of the [Fair Start for Kids Act](#) is the foundation of the ECE Access and Living Wage Plan.

Other important efforts that the Implementation Plan builds on include:

- **Child Care Collaborative Taskforce:** The Taskforce conducted the first cost of care study that demonstrated the true cost of providing high quality care based on data from child care providers and families across the state. Study findings were used to develop the cost estimation calculator, which is a tool for estimating the cost for licensed centers and family homes to provide care.
- **Cost of Quality Care Rate Model:** Developed through a co-design process grounded in Liberatory Design with the Early Educator Design Team and DCYF, the Cost of Quality Care Rate Model provides a framework for setting WCCC rates based on the true cost of providing high quality care, inclusive of living wages and benefits for ECE workers.
- **Early Achievers:** Early Achievers is Washington’s Quality Rating and Improvement System. It is intended to provide a framework for quality and support for ECE programs statewide.
- **Early Learning Coordination Plan:** The ELCP builds upon the 2010 Washington Early Learning Plan. It provides a framework of goals and strategies for aligned action.
- **Preschool Development Grant- Birth to Five:** Grant resources supported an extensive needs assessment, which informed the development of the Early Learning Coordination Plan.
- **Racial Equity and Social Justice Framework:** The racial equity and social justice framework offers a shared approach to building systems that support every child, young person, and family to thrive. It includes principles, definitions, and key concepts to help us understand and address the root causes and underlying drivers of racial inequities.

### Community Engagement

DCYF’s commitment to inclusion, partnership, and advancing racial equity includes a commitment to engaging communities to center lived experience of those directly impacted. The ECE Access and Living Wage Implementation Plan will be built upon the foundation laid in the efforts described above and extensive efforts to engage communities, including parents, ECE providers, businesses, and others.

Community engagement approaches informing this Plan include three core components:

- **Washington Communities for Children:** DCYF contracted with Washington Communities for Children (WCFC) to convene a series of community conversations with family members and

providers across the state that gathers information and informs the development of the ECE Access and Living Wage Implementation Plan.

- **DCYF direct outreach:** DCYF staff have held conversations about the Implementation Plan with DCYF advisory committees as well as outreach to DCYF staff.
- **Partners:** Members of the Child Care for WA Partner Roundtable, which is composed of early childhood advocates, including representation from the Early Educator Design Team, held community conversations throughout the winter and spring of 2024 to inform the group's policy priorities. The policy area focus was structured to be aligned with the component areas of the ECE Access and Living Wage Implementation Plan.

## Next Steps

- **Finalize policy recommendations** that reflect input from communities and build upon previous efforts in Washington as well as lessons learned from other efforts in other states and nationally.
- **Model fiscal and implementation implications of policy recommendations** to assess projected impacts, including demand and compliance with federal regulations, as well as looking at recent data sources to understand current costs to provide high-quality care in Washington state.
- **Keep community members and partners apprised of progress** in the development of the Implementation Plan and how their input is reflected in the final recommendations.

For questions regarding development of the Implementation Plan, please contact DCYF's Government Affairs team at [dcyf.govaffairs@dcyf.wa.gov](mailto:dcyf.govaffairs@dcyf.wa.gov).