



NON-STANDARD HOURS RATE MODEL REPORT TO THE LEGISLATURE



Washington State Department of
CHILDREN, YOUTH & FAMILIES

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Child Care Subsidy Policy | Approved for distribution by Nathan Hoover and Daniel O’Neill, Admin, Regulation Analysts



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Introduction

The Washington State Department of Children, Youth, and Families (DCYF) is authorized to provide financial incentives to child care providers who receive a subsidy and provide child care services during non-standard hours.

Access to high-quality child care is essential to promote equitable outcomes for children. Many children participate in child care outside standard business hours. Many child care providers need additional support to offer care for children whose parents work during non-standard hours. [The Fair Start for Kids Act \(Senate Bill 5237 – Section 306\)](#) directed DCYF to recommend a rate model for non-standard child care hours and submit the recommendation to the Governor and Legislature.

The following report describes the current Washington State Non-Standard Hours Bonus (NSHB) incentive compared to other states' non-standard hours incentive programs. This report identifies opportunities and makes recommendations to increase provider and family participation in Working Connections Child Care through DCYF's NSHB incentives.

Current State

In addition to [base subsidy rates](#), DCYF offers a NSHB flat rate for licensed or certified providers who provide at least 30 hours of non-standard hour care in a month. Non-standard hours are hours before 6 a.m. or after 6 p.m., any hours on Saturdays and Sundays, and any hours on state holidays specified in [RCW 1.16.050](#). Licensed family home providers are eligible for a \$90 NSHB. Licensed child care centers are eligible for an NSHB of \$75. Providers are eligible for these respective bonus amounts per child, per month, once the child attends a minimum of 30 hours of non-standard hour care.

DCYF has received feedback from parents and other stakeholders highlighting the increased need for non-standard hours of care. Child Care Aware, Washington's child care resource and referral provider, reports that 30% of callers need care during non-standard hours. This data supports the Urban Institute's research estimating that 54% of children in Washington have a parent who works during non-standard hours¹. This need stretches across multiple industry sectors. A study completed by the Washington State Apprenticeship and Training Council Child Care for the Trades Subcommittee (2021) reports a misalignment of manufacturing, building, and construction workers that need care, compared to when child care providers are available. They further report that parents working non-standard hours use informal care and are less likely to use licensed provider options.²

According to the National Women's Law Center, nearly one in five working mothers of very young children work in low-wage jobs that frequently involve evening, overnight, weekend, or irregular hours and more than one in four low-wage workers have non-standard work schedules. Most parents depend on family, friend, and neighbor (FFN) child care during these hours. Nationally, just 8% of center-based providers provide some care

¹ [Urban Institute: Insights to Access to Quality Child Care for Families with Nontraditional Work Schedules](#)

² [Washington State Apprenticeship and Training Council \(WSATC\) Child Care for Trades Subcommittee, 2021](#)

during evenings, overnight, or weekends, compared to 34% of listed home-based providers who provide care during non-standard hours.³

Offering financial incentives to child care providers to meet the existing market demand with more child care options during non-standard hours benefits both industry and families.

Models in Use by Other States

Nationally, 24% of state child care subsidy programs offer some financial incentive to provide child care during non-standard hours. This information was obtained from each program's Child Care Development Fund (CCDF) state plan for incentivizing providers to supply more child care options during non-standard hours. Each plan is submitted to the federal government every three years for approval. Many states are implementing incentives for subsidized care during non-standard hours, but these approaches have not been finalized or fully phased in. State models fall into two categories, a flat rate incentive per child or an allowable rate increase during non-standard hours.

Flat-Rate Incentive

Washington State currently uses a flat-rate incentive. By comparison, Oregon offers the most progressive flat-rate incentive of \$250 to \$500 per child, per month depending on the number of hours of care provided during non-traditional hours. Washington's \$90 flat-rate incentive is mid-range when compared to other states. Kentucky's \$1 per day is the lowest incentive of states that offer a flat rate incentive. This flat-rate incentive model includes the following variables:

- The hours considered non-standard
- The number of hours of care provided to meet incentive eligibility
- The amount of incentive

Washington state providers are familiar with this model. This model does not require implementing new provider procedures or administrative changes for the agency.

Rate Increase for Hours or Units of Non-standard Care

Some states pay a non-standard hour incentive by increasing the base rate by a percentage of care provided during non-traditional hours. Generally, these rates fall within a 5% to 15% increase. Maine's 35% increase is notably high. The base rate increase model includes the following variables:

- The hours considered non-standard
- The number of hours of care provided to meet incentive eligibility
- The percentage increase of the base rate

Transitioning to the Maine model would require implementing significant changes to the subsidy authorization process. It will also increase the complexity of authorizations, creating increased costs and administrative burdens for both providers and DCYF.

³ [National Women's Law Center \(NWLC\), 2018](#)

Methods of Partner and Stakeholder Engagement

DCYF collaborated with partners and stakeholders to understand and share their experiences and perspectives related to non-standard hours. This included:

- Sharing and gathering feedback via a survey sent to all providers
- Sharing a draft report and associated research to all providers
- Soliciting feedback via email or virtual office hours where partners could join a video conference and provide input virtually
- Using the provider survey, available in English, Somali, and Spanish, to inform estimated costs and necessary incentives to provide child care during non-standard hours (Appendix B)
- Developing recommendations based on feedback from survey results (Appendix C)
- Ensuring DCYF staff were available for the provider community to offer feedback in a virtual meeting or via email. The agency has received favorable feedback from the provider community. The few providers who provided secondary feedback reported that the recommended increase of the NSHB will increase providers offering non-standard hours of care.

Findings

Provider responses to the survey were nearly uniform in stating that child care businesses need to offset the expenses associated with staying open during non-standard hours to justify providing care during those hours. The cost data received from the provider survey had significant variation, and DCYF was unable to use this data to determine costs directly associated with non-standard hours. DCYF will continue to incorporate non-standard hourly costs in the Cost of Quality Care work in partnership with the Child Care Task Force.

DCYF used provider preference data from the survey to develop recommendations for the non-standard hour bonus. The majority of child care providers recommended staying with the current flat-rate fee, given a minimum number of hours of care. Providers also indicated the threshold for a non-standard hour increase, which would incentivize them to begin offering non-standard hours.

To assist in the development of the recommended non-standard hour rate, DCYF used responses to question 11, “What is the minimum dollar amount per month, per child, for you to offer child care during non-standard hours?” This question yielded 755 responses with answers ranging from zero to \$15,000. One hundred twenty-three of the responses are equal to or less than \$75 and 30 responses were more than \$1,000. DCYF removed answers less than or equal to \$75, which is the non-standard hour bonus for licensed center providers. DCYF also removed responses greater than \$1,000.

The average response for the 602 remaining responses is \$218. Four hundred forty-seven (447) or 74% of these providers responded with \$218 or less per child per month. Five hundred twenty-two (522) or 87% of these providers responded with \$300 or less, and 567 or 94% of these providers responded with \$500 or less. DCYF assumes that increasing the non-standard hour’s bonus to \$500 that an additional 567 providers will consider offering non-standard hour care. With this, DCYF assumes that 56% of the providers not currently offering non-standard hour services will begin offering non-standard hour services with a bonus of \$500. This represents 23% of the total provider population.

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Child Care Aware, Washington’s child care information and referral network, reports that from July 2021 through December 2021, 30% of parents reported a need for non-standard hours of care, with 14% requiring child care during the evening, 3% needing care overnight, and 13% needing care on the weekends. Increasing provider participation by 23% is expected to increase access for parents needing care during non-standard hours. This expanded capacity and access also is expected to increase the overall utilization of non-standard hours by 6.9%, or a 23% increase of 30% of the caseload.

Recommendation

DCYF recommends:

- Increasing the non-standard hour bonus for children receiving subsidy to \$500 per month per child.
 - Economic impacts for licensed family homes is a mandatory bargaining subject with Service Employees International Union (SEIU) 925.
- Maintaining non-standard hour bonus eligibility at 30 non-standard hours per month.
- Maintaining the non-standard hour definition as hours between 6 p.m. and 6 a.m., weekends, and holidays.

This recommendation will increase the anticipated cost of the NSHB by \$21,384,610 for FY23. This anticipated cost is based on the November 2021 caseload forecast, and includes a 6.9% increase in utilization due to the increased capacity and access.

Appendix A

The table below offers a snapshot of other incentive programs in different states. This information was obtained from each program’s Child Care Development Fund (CCDF) state plan for incentivizing providers to supply more child care options during non-standard hours. Each plan is submitted to the federal government every three years for approval. Each state plan cited is linked in the bibliography of this report.

HSHB POLICY BY STATE	
California	When the licensed provider meets the certified need for early learning and care, that includes hours during the period from 6 p.m. to 6 a.m. on any day of the week or from 6 a.m. Saturday to 6 a.m. Monday. Contractors shall multiply the regional market rate ceiling for the applicable rate category by the appropriate adjustment factor as follows: 1) by 1.25 when 50% or more of the certified need for early learning and care occurs during this period or 2) by 1.125 when at least 10%, but less than 50% of the certified need for early learning and care occurs during this period. There is no adjustment when the need for care is less than 10%.
Kentucky	Licensed or certified providers may also receive an additional \$1 per day to provide child care during non-standard hours.
Maine	Non-traditional hours give 35% for care from 6 p.m. to 6 a.m. and on weekends.
Maryland	Additional costs that exceed the payment rates in 13A.14.06.11 may be approved when child care is provided during non-traditional hours. Non-traditional hours are defined as (a) one hour or more between 7 p.m. and 6 a.m. on Monday through Friday, and (b) any period of one hour or more on Saturday or Sunday.
Missouri	A 15% rate differential for evening and weekend care. Care beginning or ending during the timeframe of 7:01 p.m. to 5:59 a.m. and Saturday 6 a.m. through Sunday 7 p.m. The rate differential is not based on market rate survey (MRS). All rates are determined by appropriation.
New Mexico	The Children, Youth and Families Department (CYFD) pays a differential rate to providers who provide care during non-traditional hours as follows: 5% for 1-10 hours per week, 10% for 11-20 hours per week, and 15% for 21 or more hours per week.
New York	Local Departments of Social Services (LDSS) must pay eligible child care providers a differential payment rate of at least 5% above the actual cost of care or the applicable market rate for non-traditional hours. LDSS may choose to set a differential payment rate greater than 5% above the actual cost of care or the applicable market rate provided the rate does not exceed 15%.
Ohio	5% enhancement to the base rate

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Oklahoma	To increase the availability of child care during non-traditional hours (evening, overnight, and weekends), there is a non-traditional hour add-on rate paid in addition to the typical subsidy rate. The incentive is \$14 per day for two hours or more of care provided between 6 p.m. and 6 a.m. and weekends. The add-on rate is in addition to the typical full-time daily rate approved for the child.
Oregon	Child care providers are able to request incentive payments for Employment Related Day Care (ERDC) children in care during non-traditional hours. Non-traditional hours are defined as before 6 a.m., after 7 p.m., or Saturday or Sunday. Providers can receive a \$250 incentive for each child in non-traditional hour care for 20 to 39 hours per month and \$500 for each child in care over 40 or more hours per month. The incentives were paid monthly for care provided January 2019 through September 2019 as part of a pilot to demonstrate the need for alternative hour care in Oregon. The pilot started April 1, 2019, by paying providers retroactively for non-traditional hour care provided January through March 2019
Texas	Texas Working Connections works with boards to develop differential rate structures for care during non-traditional hours (nights and weekends). Boards establish reimbursement rates and may target rate increases to provider types

Appendix B

Survey Questions

1. (Optional) Please provide your name, occupation, and contact information.
2. What best describes your involvement with child care?
 - a. Licensed center
 - b. Licensed family home
 - c. Family, Friend, and Neighbor childcare provider
 - d. Advocacy
 - e. School-aged only
 - f. Other (explain in text box)
3. If a provider: do you operate on weekends?
 - i. Yes
 - ii. No
4. If a provider: when do you open or start care? (only shows if answer a/b/c above)
 - a. 4 p.m.
 - b. 4:30 p.m.
 - c. 5 p.m.
 - d. 5:30 p.m.
 - e. 6 p.m.
 - f. 6:30 p.m.
 - g. 7 p.m.
 - h. 7:30 p.m.
 - i. 8 p.m.
 - j. 8:30 p.m.
 - k. 9:30 p.m.
 - l. 10 p.m.
 - m. 10:30 p.m.
 - n. Not applicable, 24-hour operation
 - o. Other (explain in text box)
5. If a provider: what do you consider your closing time? (only show if answer a/b/c above)
 - a. 4 p.m.
 - b. 4:30 p.m.
 - c. 5 p.m.
 - d. 5:30 p.m.
 - e. 6 p.m.
 - f. 6:30 p.m.
 - g. 7 p.m.
 - h. 7:30 p.m.

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- i. 8 p.m.
 - j. Not applicable due to a 24-hour operation
 - k. Other (explain in text box)
6. If a provider: Do you offer child care during the hours before 6 a.m. or after 6 p.m.? (if answered a/b/c above)
 - a. Yes
 - b. No
7. If you offer non-standard hours of child care, is this a new cost?
 - a. Yes
 - b. No
8. If you answered “Yes” to the above question, check all new costs that apply, and include anticipated costs if known. Indicate if this is a new cost if you offer non-standard hours of care and list the cost per child/per day.
 - a. Payroll
 - b. Lease or mortgage
 - c. Equipment and supplies
 - d. Transportation
 - e. Utilities
 - f. Insurance
 - g. Food
 - h. Other
9. Do you recommend a subsidized incentive, like a non-standard hours bonus, for offering child care during non-standard business hours (6 a.m. – 6 p.m.)?
 - a. Yes
 - b. No
10. Child Care Subsidy currently offers a per child monthly non-standard hour rate bonus of \$90 for licensed family homes and \$75 for centers as an incentive for 30 hours of non-standard hours care in a month. Is this a sufficient incentive to offer non-standard hours of care?
 - a. Yes
 - b. No
11. What is the minimum dollar amount per month per child incentivize you to offer child care during non-standard hours?
12. What is your preferred method of payment for non-standard hour bonus care? (choose one)
 - a. A flat monthly payment based on a minimum number of hours of non-standard hours of care provided (current method).

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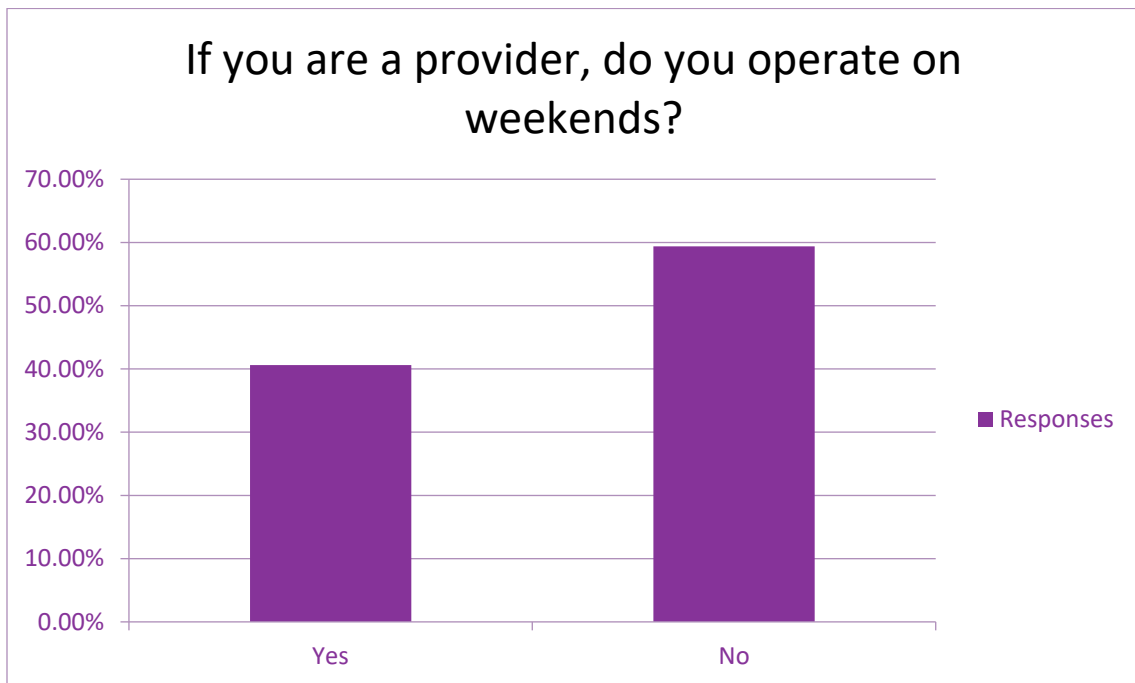
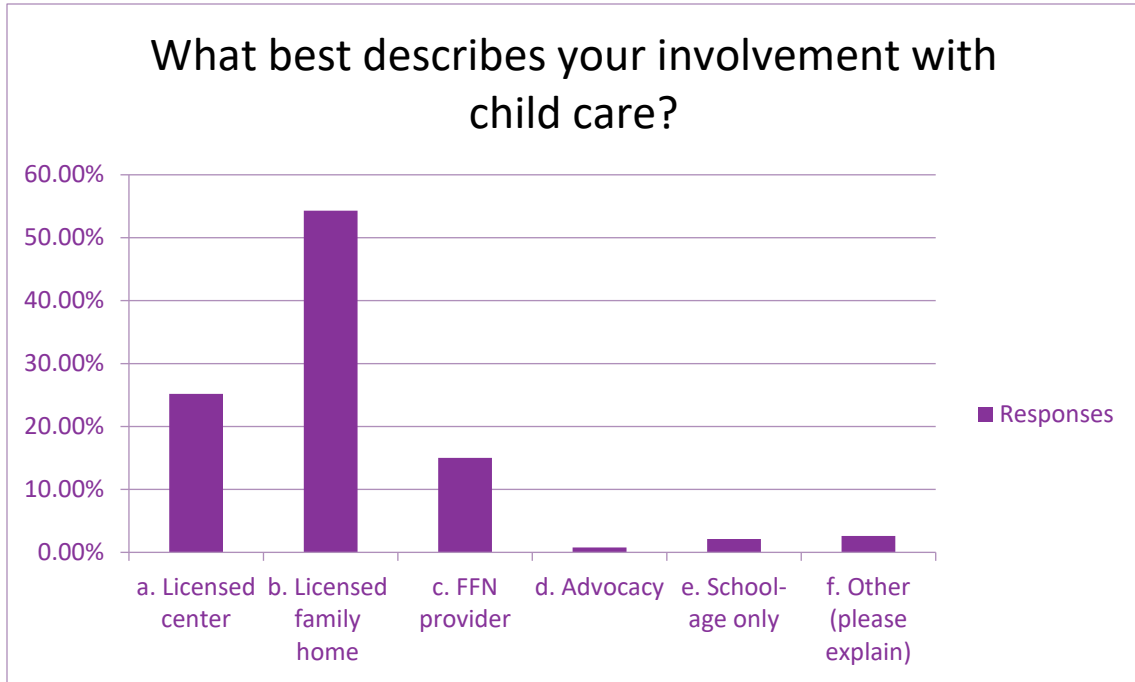
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- b. A non-standard hours bonus for units of non-standard hour care, such as a percent increase for units during non-standard hour care.
 - c. Other (explain in text box)
13. If you don't already provide it, would a non-standard hours bonus incentivize you to start offering non-standard hours care?
- a. Yes
 - b. No
14. If you answered Yes above, what would incentivize you to add non-standard hours to your childcare offerings?
15. If you are a family, friends and neighbor provider, what increase would help you offer non-standard hours or compensate you for doing so now?
16. What are some of the reasons that you would not consider offering after hours care to help inform this work?
- a. No need in my area
 - b. Takes away from family time
 - c. Current rate is too low
 - d. I have another job or community commitment
 - e. Other (text box)
17. Is there anything else you would like to share?

Appendix C

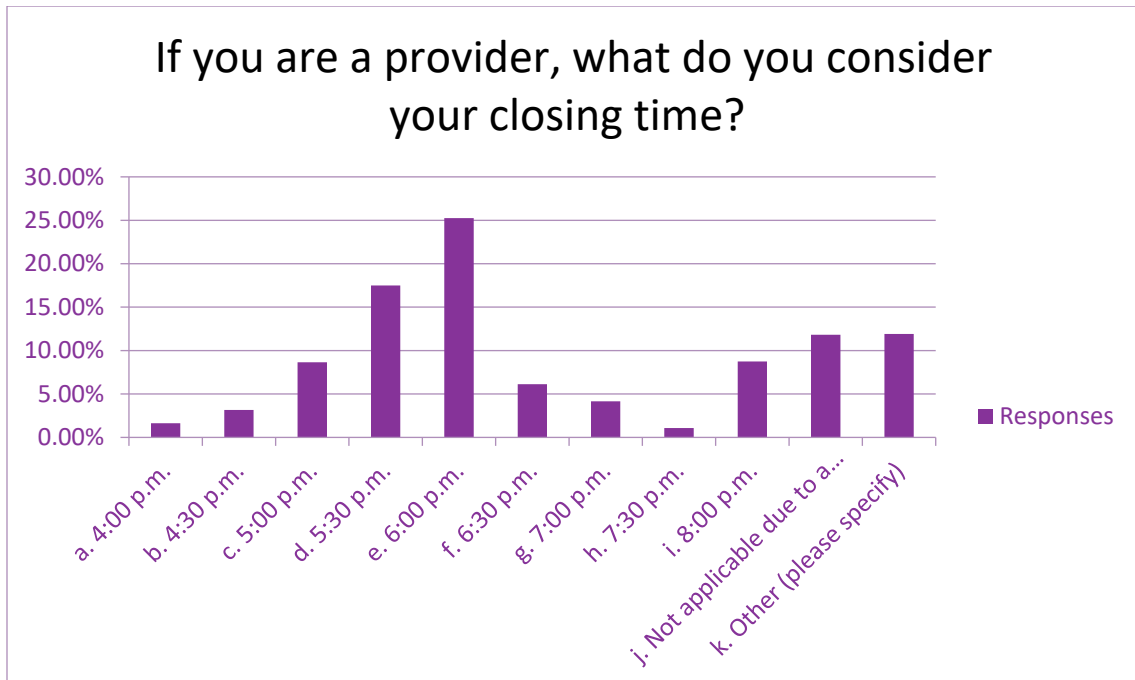
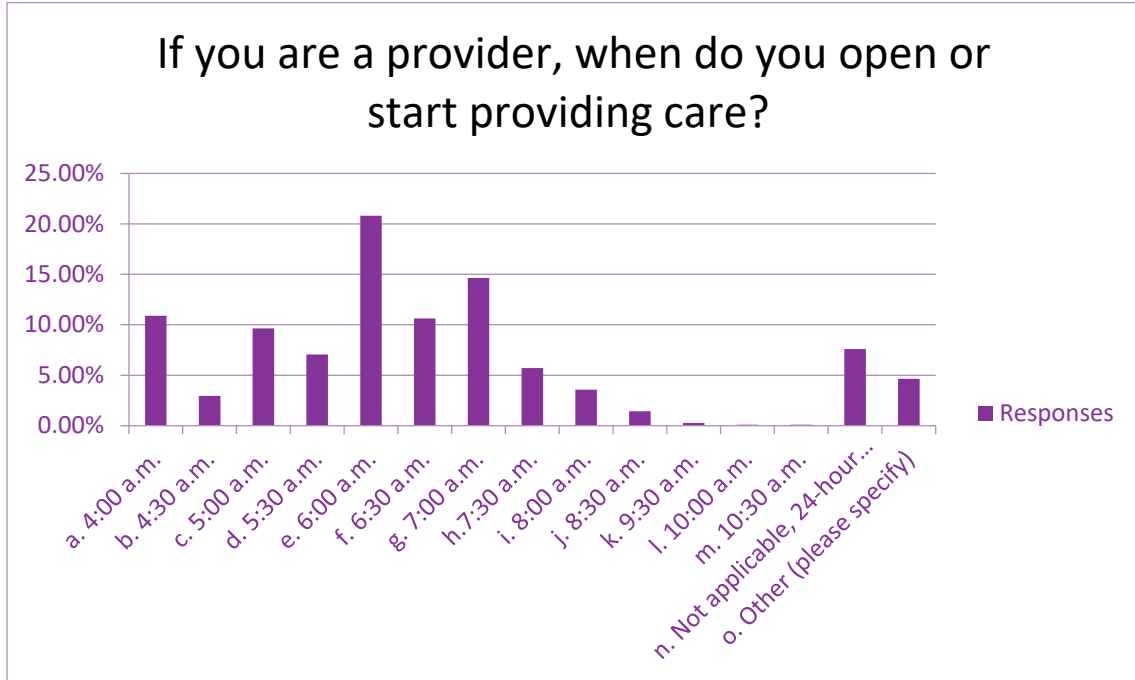
Summary of Survey Responses

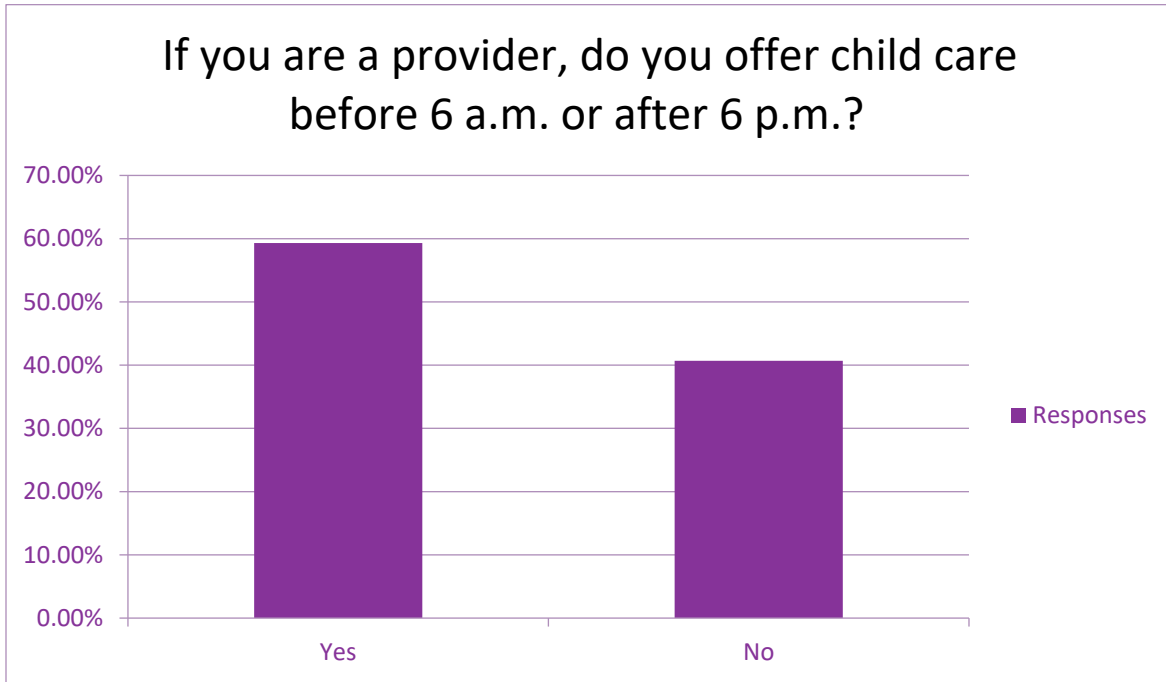
The following charts reflect the consolidated responses across the three languages in which the survey was distributed.



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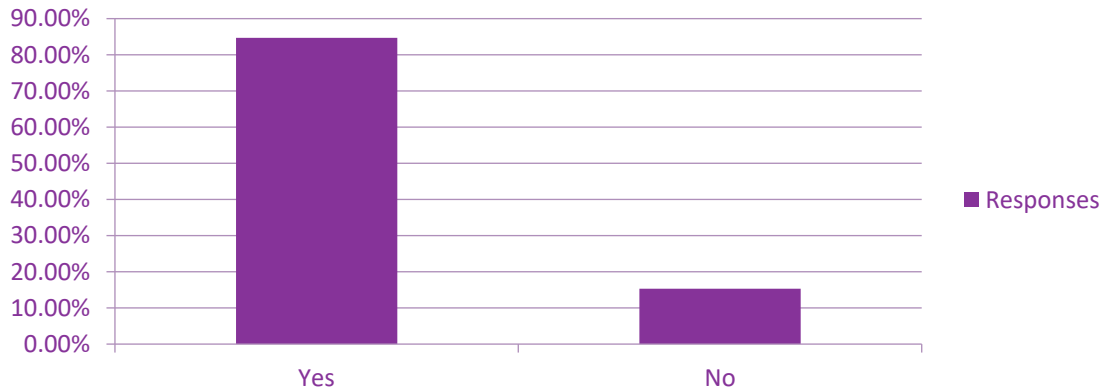




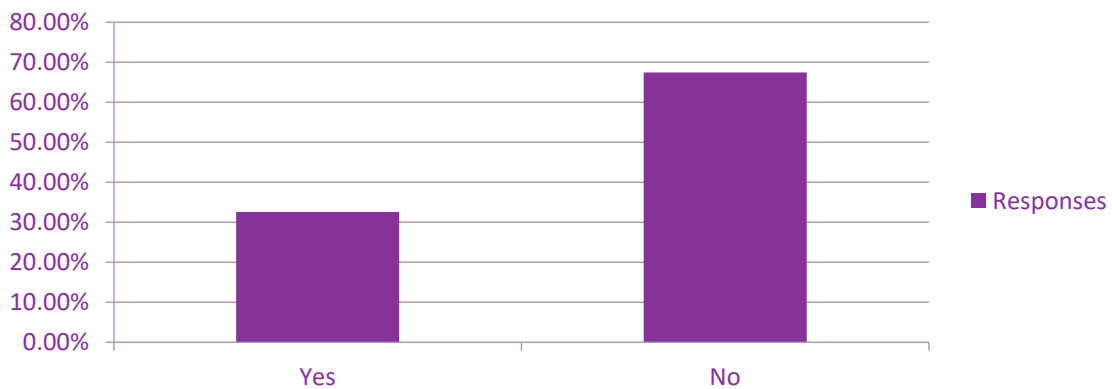
If you answered “Yes” to the question “What are your anticipated cost increases?” – please enter the anticipated costs per child/per day next to the type of expense. If you don't anticipate added costs for that type of expense, please enter '0'.

The data provided varied and did not allow for reliable cost analysis.

Do you recommend a subsidized incentive, like a non-standard hour's bonus, for offering child care during non-standard business hours (6 a.m. to 6 p.m.)?

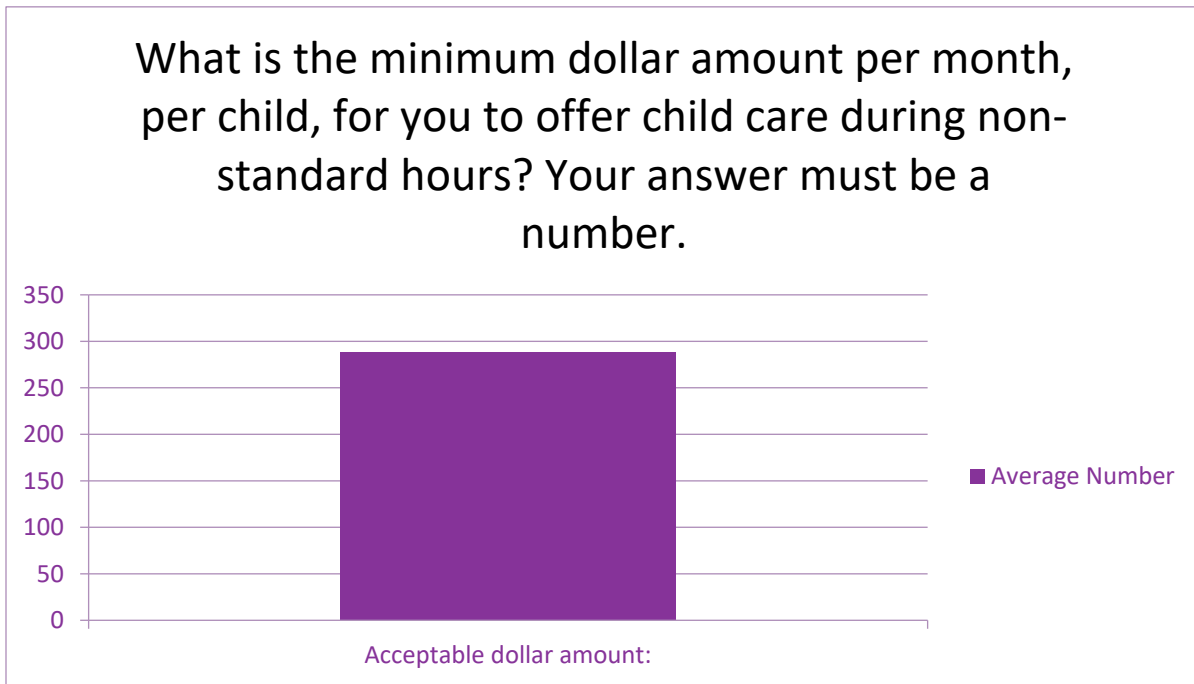


Child Care Subsidy currently offers a per child, monthly non-standard hours rate bonus of \$90 for licensed family homes and \$75 for centers as an incentive for providing 30 hours of non-standard hours care in a month. Is this a sufficient incentive to off



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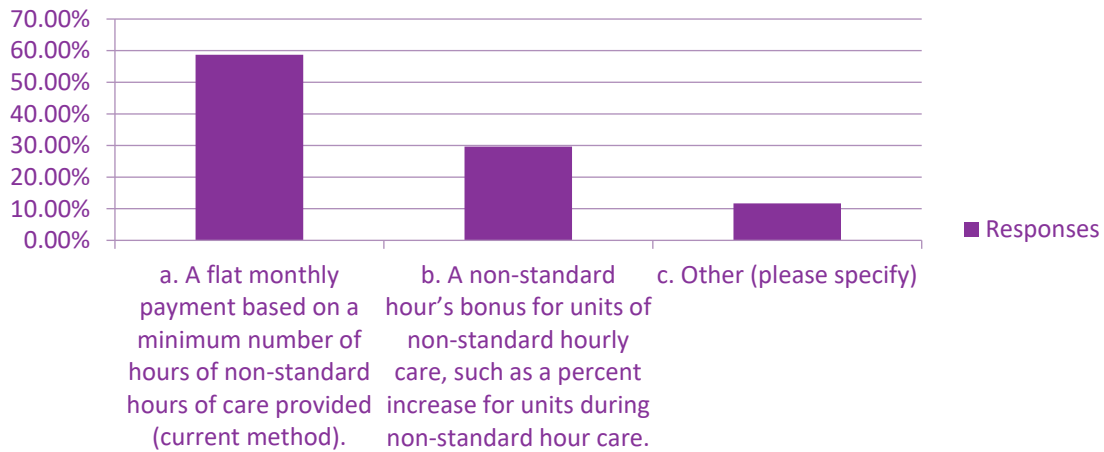


These responses were free form. The analysis provided:

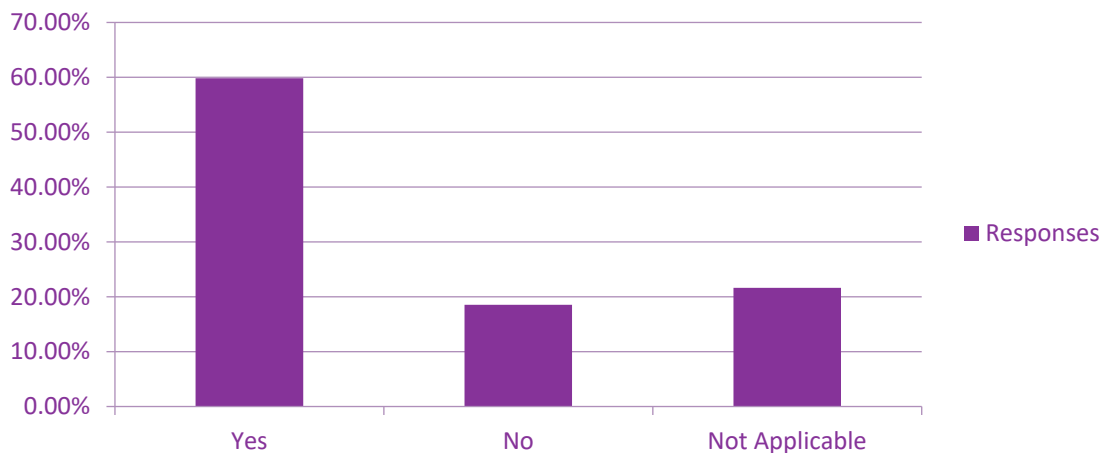
This question had 755 responses with answers ranging from \$0 to \$15,000 with an average of \$288. For final analysis, DCYF removed answers less than or equal to \$75.00 which is the non-standard hour bonus for center-based providers. DCYF also removed responses greater than \$1,000. One hundred twenty-three (123) of the responses are equal to or less than \$75.00 and 30 responses were more than \$1,000.

The average for the 602 remaining responses is \$218. 447 or 74% of the providers responded with answers of \$218 or less per child per month. 522 or 87% of providers responded with \$300

What is your preferred method of payment for non-standard hours bonus care? (choose one)

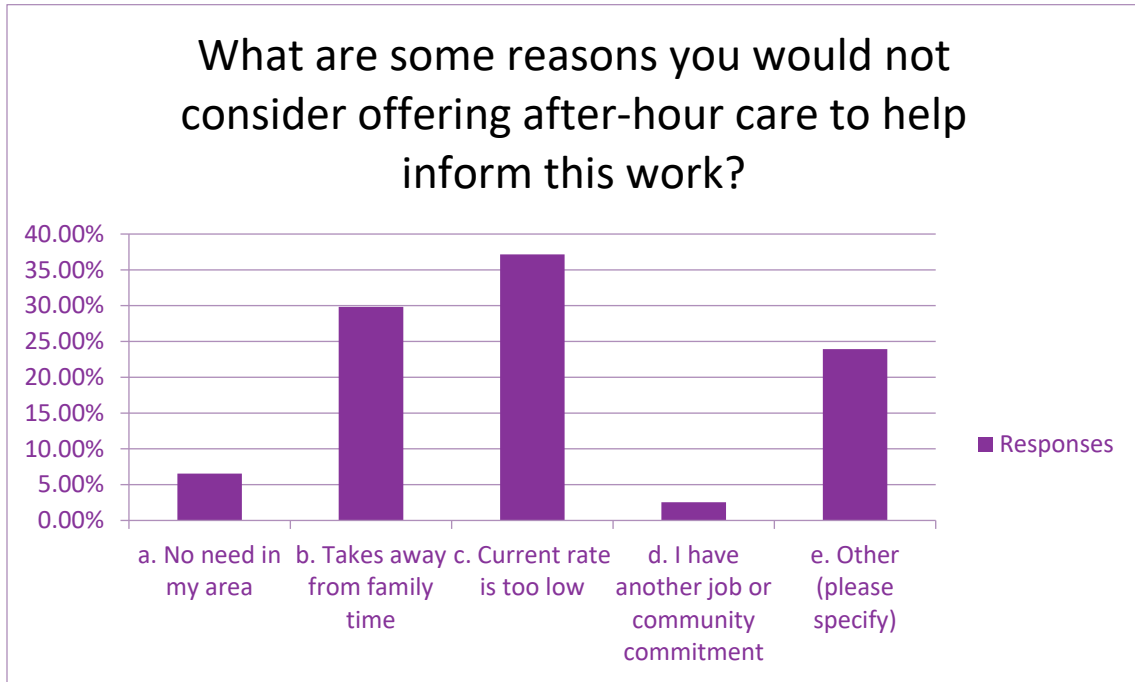


Would a non-standard hour's bonus incentivize you to start offering non-standard hours care if you don't already provide it?



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Do you have any feedback you would like to share with DCYF?

Answers were generally appreciative to collaborate on this work together, and invited more opportunities for input. The general theme is that providers would like to be paid enough money to offset the cost of providing care, and if that can be supported with NSHB, then they are open to that possibility.