

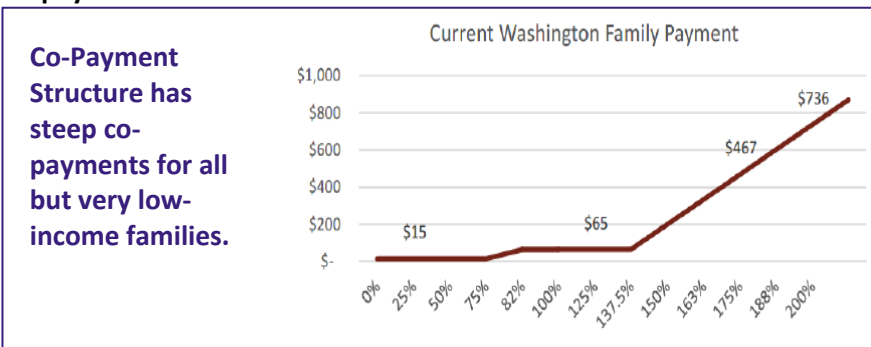
Child care affordability is critical to supporting families entering and advancing in the work force. Washington’s Working Connections Child Care (WCCC) provides subsidized care for about 25,000 households, or roughly 42,500 children (caseload figure from prior to COVID-19). Participating families are able to attend licensed child care programs that accept WCCC, and families pay a co-pay based on their income. Washington’s current co-payment structure has created a “cliff” for many families, pricing them out of the market. **Start Early WA recommends smoothing out the co-payment structure for families above 137.5% of Federal Poverty Level to improve access for income-eligible families.**

**Family Co-Payment Structure**

| Family Income                                  | Calculated Family Co-Pay                                |
|--|---|
| At or below 82% of Federal Poverty Level (FPL) | \$15  |
| Above 82% of FPL up to 137.5% of FPL           | \$65  |
| 137.5% - 200% of FPL                           | \$65 + 50% of every dollar earned over 137.5% of income |

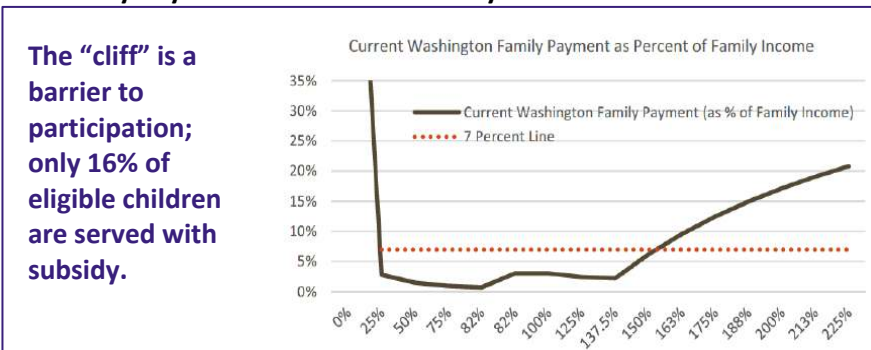
- Early in the pandemic, DCYF waived WCCC co-payments to ease the financial burden on working families. Co-payments are currently capped at \$115 for families above 137.5% of FPL until 6/30/21.
- This stabilized the market and ensured that families were able to affordably access child care.

**Co-payment structure “cliff”**



- The current co-pay structure has created a “cliff” for many families, pricing them out of the market as their income increases, creating a barrier to accessing child care and participating in the workforce.

**WA Family Payment as Percent of Family Income**



- The U.S. Department of Health and Human Services recommends limiting family co-payments to 7% of family income.
- Tying copays to a percentage of family income is a means of reducing or eliminating the “cliff effect” that prices families out of child care.

Source: WA Department of Commerce, Child Care Collaborative Task Force - [www.commerce.wa.gov/wp-content/uploads/2020/12/Dec-2020-C3TF-Legislative-Report-FINAL.pdf](http://www.commerce.wa.gov/wp-content/uploads/2020/12/Dec-2020-C3TF-Legislative-Report-FINAL.pdf)

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