

FAIR START FOR KIDS ACT: SUPPORTING WASHINGTON'S WORKING FAMILIES, PROVIDERS AND EMPLOYERS



Access to affordable child care is a top challenge facing working families. Many families struggle to afford the cost of child care, and low wages for child care providers drive staff turnover and burnout, leading to an overall shortage of care. Adding to this challenge, our state's child care program for low-income working families does not cover the full costs of providing safe, high quality care.

Washington state's 2021 Fair Start for Kids Act (Fair Start) provides a roadmap to help respond to this crisis with built in adjustments to address family affordability and provider compensation. Specifically, Fair Start:

1. **Expanded eligibility** to child care subsidies via the Working Connections Child Care (WCCC) program to reach more families;
2. **Reduced families' share of the cost** of care through lower co-payments; and
3. **Began to stabilize the workforce** by increasing provider reimbursement rates and directing DCYF to develop and implement a subsidy model based on actual costs (model completed in 2024).

To continue to make meaningful inroads into the child care crisis, it is critical that the Washington State Legislature **maintain its commitments to working families and child care providers in our state through the Fair Start for Kids Act.**



Impact of Fair Start - WCCC Reimbursement Rate

Example: Reimbursement for a Toddler in a Licensed Child Care Center in Yakima County

- **Pre-Fair Start (July 2021):** \$804.98/month
- **Current (November 2024):** \$1,079.98/month
- **Next Step (July 1, 2025):** \$1,510/month

The Fair Start for Kids Act: Improving Family Access and Affordability and Provider Compensation

	Where We Were: Pre-Fair Start (Pre July 1, 2021)	Current: First Phase of Fair Start (As of State Fiscal Year 2025)	Where We Are Going: Next Steps for Fair Start (Statutorily required to go into effect 7/1/25)
Income Eligibility	<p>WCCC Eligibility: 200% of the Federal Poverty Level.</p> <ul style="list-style-type: none"> • <\$43,920/year for a family of three* • September 2021 Caseload: 18,830 	<p>WCCC Eligibility: 60% State Median Income (SMI)</p> <ul style="list-style-type: none"> • <\$61,300/year for a family of three** • June 2024 Caseload: 32,108 	<p>WCCC Eligibility: 75% State Median Income</p> <ul style="list-style-type: none"> • <\$76,626/year for a family of three** • Caseload estimate: DCYF projects that with the increased eligibility to 75% SMI, caseload will increase by 8,000 families, bringing projected caseload to 40,108 for State Fiscal Year 2027
Co-Payments	<p>Prior to Fair Start, co-pays were on a sliding scale based on family income. Depending on income, family co-pays could be as high as \$700+/month for a family of three.</p>	<ul style="list-style-type: none"> • 2021: Up to \$115/month per family • 2023: Up to \$165/month per family <p>Since passage of Fair Start, family co-pays have ranged from \$65-\$165/month for families within 20-60% SMI. The average copay is currently \$65 per family.</p> <p>Families earning less than 20% of SMI pay \$0 (\$20,434/year for a family of 3).</p>	<p>For families within 20-60% SMI, co-pays remain within a range of \$65-\$165/month, with the average family co-pay of \$65/month.</p> <p>Newly eligible households with incomes above 60% of SMI and at or below 75% of SMI will have a \$215/month family co-pay.</p>
Provider Rates	<p>Provider reimbursement rates tied to the 65th percentile of the Market Rate Survey.</p>	<p>Provider reimbursement rates tied to the 85th percentile of the Market Rate Survey.*** 2023-25 biennial budget funded at 2021 Market Rate Survey</p>	<p>85th percentile of the Market Rate Survey. 2024 Market Rate Survey data available to reflect increasing costs.</p>

*Based on 200% of the 2021 Federal Poverty Level

** Dollar amounts are based on the Department of Social and Health Services 2024 State Median incomes. adjusted to reflect family income during the year referenced.

***The Market Rate Survey (MRS) asks child care providers about the rates they charge for the care of children of different ages. Responses are grouped by age and region and DCYF currently sets reimbursement rates for Working Connections Child Care in accordance with the survey findings. Note this tool does not account for the actual cost of providing care. See [DCYF 2024 Market Rate Survey report](#) for further information.

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