FAIR START FOR KIDS ACT SUMMARY



Based on clear research demonstrating the long-term outcomes of early learning programs, Washington state has a history of investing in its early learning system. Including child care, preschool, home visiting, and other complementary services, early learning programs are a key part of Washington's educational and social priorities. The Washington Legislature's most recent demonstration of this commitment to early learning was the passage of the <u>Fair Start for Kids Act</u> (FSKA) in 2021.

The FSKA establishes a framework to grow and strengthen Washington state's early learning system. Signed into law by Governor Jay Inslee May 7, 2021, and sponsored by Senator Claire Wilson and Representative Tana Senn, the FSKA has a central focus on advancing racial equity and provides a roadmap to expand access and affordability of high quality early childhood programs; support the early learning workforce; and increase accountability and oversight of FSKA's new investments.

Expand Access and Affordability

A primary focus of the Fair Start for Kids Act (FSKA) is to expand access and affordability of early learning programs for families, particularly to Working Connections Child Care (WCCC), Washington's system for providing financial support for the cost of child care, and the state's preschool program, Early Childhood Assistance and Education Program (ECEAP).

Over time, the FSKA serves to expand eligibility for programs and reduce families' share of the cost:

WCCC (Child Care Subsidy)

Eligibility Changes Co-Pay Changes Date Up to **\$115** per July Student-parent work 2021 requirements removed month Income eligibility Oct 2021 increases to 60% of State Median Income (SMI) (\$51,804 for a family of three) Up to **\$165** per July 2023 month Up to **\$215** per July Income eligibility 2025 increases to 75% of SMI month (**\$64,755** for a family of three) Income eligibility July 2027 increases to **85%** of SMI (**\$73,389** for a family of three) if funding is provided in the budget

Co-pay level dependent on family income

ECEAP (State Funded Preschool)

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Date	Eligibility Changes
July 2026	Income eligibility increases to 36% of SMI (\$31,082 for a family of three) <i>if</i> funding is provided in the budget
	Eligibility Expanded to include:
	Families experiencing homelessness;
	 Children who participated in specific birth to three programs; and
	Indian children as defined in DCYF rule and who are at or below 100% of SMI (\$86,340 for a family of three)
2026-27	All eligible children are entitled to
School Year	voluntary enrolment
2030-31 School Year	Income eligibility increases to 50% of SMI (\$43,170 for a family of three) <i>if</i> funding is provided in the budget

Why the Change to State Median Income?

The FSKA changed the determination of eligibility for early learning programs from the Federal Poverty Level (FPL) to State Median Income (SMI).

Use of the federal poverty level has long been considered an outdated method since it does not account for other significant expense beyond food, such as housing, transportation, or child care. It also does not account for geographic variation in the cost of living.

Currently, the income eligibility for ECEAP is 110% of FPL (\$24,156 for a family of three) and 200% of FPL for WCCC (\$43,920 for a family of three). The shift to SMI for income eligibility will increase the number of families eligible for programs and adjust eligibility to a more accurate reflection of the cost of living in Washington state.

For more detailed information on State Median Income by family size, visit the <u>Department of Social and Health Services</u> webpage.

Support the Early Learning Workforce

Inadequate reimbursement for subsidized child care, coupled with the inability of many working parents to pay for the true cost of quality, has led to a child care crisis, with low compensation for early learning professionals exacerbating high staff turnover often resulting in an inability to fully staff classrooms. These factors combine to create instability in the early learning system, impacting the availability, affordability, and quality of care for our state's children.

One of the primary strategies included in the FSKA to combat this challenge is the inclusion of the policy to increase Working Connections Child Care (WCCC) reimbursement rates to the 85th percentile of market rate by July 1, 2021. The FSKA also signals the longer-term intent to build on the work of the Child Care Collaborative Task Force to identify and fund a subsidy rate that reflects the true cost of quality.

Additionally, the FSKA included several other strategies designed to stabilize the child care industry, primarily by providing enhanced reimbursement for WCCC and ECEAP for specific purposes, including:

- Infant Care Incentive
- Child Care Deserts
- Nonstandard Hours Rate Increase
- Equity Grants

- ECEAP Rates
 Increase by 10%
- Complex Needs Funds

- Trauma-Informed Care Supports
- Dual Language Rate Increases

Finally, the FSKA included other workforce supports, including Professional Development and an increase in the number of Infant and Early Childhood Mental Health Consultants statewide.

Accountability and Oversight

<u>Section 102</u> of the FSKA lays out specific goals and strategies for the use of funds in the FSKA Account. These allowable uses include all items outlined in this brief as well as other investments, including improving access to health care coverage for early learning professionals; expansion of perinatal-to-three services such as home visiting; early learning facilities; and resource and referral services.

With a clear intent to significantly expand the state's investment in early learning programs to support the FSKA's outlined goals and strategies, the FSKA also enhanced accountability and oversight of these additional investments.

One of the primary strategies of the FSKA was to expand the membership of the Early Learning Advisory Council (ELAC) and add to its scope. As a result, ELAC will expand to **44 members** representing a diverse array of stakeholders, including **parents**, **providers** representing various programs, **state agencies** and **state board** representation.

(See <u>RCW 43.216.075</u> for a complete listing of membership categories)

Enhanced duties of ELAC include:

- Creation of an annual report to the Governor and appropriate legislative committees beginning August 31, 2022, containing recommendations for the phased implementation of strategies and priorities as system capacity is developed and revenue is expanded;
- Assisting DCYF in monitoring investments; to ensure they support advancing racial equity and strengthening families; promote access to affordable and high quality early learning opportunities for all families, with particular attention to the needs of underserved and rural communities; promote kindergarten readiness and strengthen our state's economy; and
- Partnering with nonprofit organizations to collect and analyze data and measure progress.

This document is intended to summarize the key components of the FSKA. For additional details, visit the <u>Department of Children</u>, <u>Youth and Families</u> FSKA webpage.

Start Early Washington prepared an <u>analysis</u> of the investments included in the 2021-2023 biennial budget to support FSKA's implementation and other early learning initiatives as well as a more detailed <u>summary of the final bill</u>.

September 14, 2021