



INVEST IN WORKING CONNECTIONS CHILD CARE

Low Reimbursement Rates Undermine High-Quality Early Learning

Investing in high-quality early learning is the best investment our state can make. Unfortunately, WA's Working Connections Child Care (WCCC) reimbursement rates have declined so much (**as low as 30% of private rates**) that child care businesses struggle immensely to provide high-quality care. If rates do not increase this year, many programs will be forced to stop serving low-income families or even shut down, low income families will suffer from reduced access to care, and more children will not be prepared for school.

We call on the legislature to fund the cost of quality child care by investing \$85.5 million into WCCC child care center reimbursement rates.

"We are a low-income center...and serve 97% state paid (DSHS) children, leaving only 3% cash pay to fluctuate pricing in order to make up for pay lost through the state. It is not fair to our cash-pay families to pay more money to make up for DSHS not increasing the wages paid for the clients they provide services to." ~ Whitney Sykes, supervisor, Planet Kids, Spokane

This investment is necessary for children:¹

- Children who benefit from high-quality early learning
 - Will earn on average 33% more than children who do not
 - Are 30% more likely to graduate from high school
 - Are 50% less likely to require special education
 - Are 50% less likely to be teen parents
 - Are 70% less likely to be arrested for a violent crime before the age of 18

This investment is necessary for families:²

- WA is the 6th most expensive state in the country for child care for an infant in a child care center.
- The annualized cost for an infant in a center is more than 50% of the state median income for single mothers.
- Child care is often a family's second biggest expense (after housing). Young families spend more annually on child care than the average annual cost of college tuition.

This investment is necessary for providers:

- Last year the median wage for child care workers in WA was below the new minimum wage, resulting in high turnover. In 2014 the turnover rate was 23% for lead teachers, and 43% for assistants. High turnover disrupts provider/child relationships and completely undermines quality improvement.³
- 39% of WA's child care workforce is on public assistance, costing the state over \$34 million. Caregiver well-being is a critical component of high-quality early learning.⁴
- Since 2011, the number of licensed child care programs in the state has declined by 22%, undermining parent choice. If rates do not increase this year, many more will shut down.⁵

This investment is necessary for WA's economy:

- Access to quality child care allows families to stay in the workforce, reducing reliance on public assistance
- A strong, high-quality child care and early learning system promotes thousands of child care small businesses
- Supporting high-quality child care and early learning yields a 13% return on investment and produces the greatest returns in human capital⁶
- A 5% increase in male high school graduation rates in WA would save an estimated \$50 million in incarceration and crime-related costs⁶

¹ First Five Years Fund Invest in Us Report

² Child Care Aware of America Parents and the High Cost of Child Care 2016 Report

³ Washington State Department of Early Learning 2015 Market Rate Survey Report

⁴ Early Childhood Workforce Index: Center for the Study of Child Care Employment, University of California, Berkeley

⁵ Child Care Aware of Washington 2015 Data Report

⁶ Professor James Heckman, The Heckman Equation, <http://heckmanequation.org/>