

PROPOSED BY: Director of Health and
Community Services

INTRODUCTION DATE: _____

RESOLUTION NO. _____

APPROVING THE DEVELOPMENT OF A WHATCOM COUNTY CHILD CARE PROVIDER RATE AUGMENTATION PROGRAM, FAMILY TUITION SUBSIDY PROGRAM AND STATE SUBSIDY OUTREACH CAMPAIGN.

WHEREAS, since 2017, Council has prioritized services for children and families, beginning with 2017 and 2018 Health board annual focus on early childhood, a 2019 resolution affirming commitment to Whatcom County’s young children and their families, the establishment of a Children and Family Action Plan in 2020, the formation of the Children and Family Wellbeing Task Force in 2021, and the ordinance placing the Healthy Children’s Fund on the ballot in 2022; and

WHEREAS, the Whatcom County Council expressly recognizes that access to affordable, high-quality, professional child care is critical for the well-being of Whatcom County’s children, the economic stability of families, local economic vitality and the County’s overall welfare; and

WHEREAS, it is indisputable that affordable child care provides long-term county-wide benefits, including improved mental and behavioral health, better early education outcomes, reduced rates of homelessness, enhanced social skills, greater economic mobility, increased workforce participation, improved parental mental health, and stronger community cohesion for children, families, and the community as a whole; and

WHEREAS, many families in Whatcom County, particularly those with low and moderate incomes, face significant financial barriers to accessing quality child care services, which limits their ability to participate in the workforce, pursue education, and meet their financial needs; and

WHEREAS, the Bellingham Chamber of Commerce initiated a Whatcom County Child Care Crisis: Business Impacts report, which concluded that 88% of business experienced at least one challenge due to child care barriers. Most employers specifically mentioned the lack of child care availability in Whatcom County and the cost burden this child care insecurity imposes on employees as barriers affecting their employees work performance; and

WHEREAS, the cost of early learning and care places a significant financial burden on many Whatcom County families, with only 14.79% of eligible children under five currently enrolled in subsidized child care through the Working Connections Child Care (WCCC) program; and

WHEREAS, the high cost of living in Whatcom County as compared to other parts of the state, including housing, transportation, and basic goods and services, places additional financial strain on families and, particularly those with young children, making it even more difficult for them to access affordable, high-quality child care and early learning opportunities; and

WHEREAS, Whatcom County families earning at or less than 85% of the State Median Income (SMI) for their family size often struggle to secure affordable, quality child care, spending a disproportionate

portion of their income on child care expenses and often failing to qualify for state assistance, exacerbating financial instability and limiting meaning opportunities for children; and

WHEREAS, based on the 2022 ALICE (Asset Limited, Income Constrained, Employed) Family Income United Way Report, a family of four with two children in child care making between 75%-85% SMI are spending 27% of their monthly income on child care.

WHEREAS, the Healthy Children's Fund (HCF) was approved by Whatcom County voters to increase the well-being of young children and their families by making high-quality early learning and care affordable, accessible, professional, and high quality; and

WHEREAS, Council passed a resolution accepting the HCF Implementation Plan, which includes strategy #3: Improve access to early learning and care through subsidies that reduce the cost of programs from families which are cost-burdened; and

WHEREAS, child care providers in Whatcom County play an essential and vital role in early childhood development, supporting the community, and contributing to the local economy; and

WHEREAS, child care providers face significant challenges in maintaining affordable services while ensuring quality care and covering rising operational costs, such as staff wages, facility upkeep, and regulatory compliance; and

WHEREAS, financial strains on local child care providers threaten their ability to continue offering quality services, further exacerbating the county's documented child care shortage; and

WHEREAS, child care providers in licensed child care centers who accept WCCC, are reimbursed monthly at a maximum of \$1,9948.76-\$1,767.92- for infant and toddler (0-3) care if the child attends every day that month, but 85% of private pay rates for providing care for that age range is between \$2,320.00-\$2,160.00, which creates a minimum monthly revenue gap of \$372.00-\$393.00 for every child a provider accepts on state subsidies.

WHEREAS, child care providers can't expand operations and support more families who qualify for State Working Connections Child Care subsidies without adequate payment for the care they are currently providing.

WHEREAS, in addition to not receiving adequate reimbursement, childcare providers face other barriers in serving WCCC, including not receiving reimbursement on days kids don't attend, for example while a child is out sick. and

WHEREAS, with additional revenue, childcare providers have indicated they will be able to take WCCC referrals when slots are available, maintain their current WCCC slots, and consider how to expand operations.

WHEREAS, the Healthy Children's Fund strategy outlines specific objectives to complement state subsidies, increase family enrollment in WCCC, and augment local child care provider rates for the costliest age groups; and

WHEREAS, the Whatcom County Council recognizes that a program providing subsidies to low to moderate income families and supporting child care providers through tuition augmentation aligns with

the goals of the Healthy Children’s Fund by increasing access to affordable, high-quality early learning and care; and

WHEREAS, such a program supports local, state, and federal efforts to reduce child poverty, address child care shortages, promote economic mobility, and invest in the early education and development of young children, benefiting the public as a whole; and

WHEREAS, subsidies make professional child care accessible to all families, ensuring children from diverse backgrounds receive high-quality early education, which promotes social equity; and

WHEREAS, the Whatcom County Council recognizes that child care subsidies for qualifying families and rate augmentation for local providers are proper means for addressing the public purpose of expanding affordable, professional, high quality, and accessible childcare in Whatcom County; and

WHEREAS, targeted initiatives, such as outreach and enrollment campaigns, tuition discounts for income-eligible families, and cost augmentation for providers, can help address current gaps and expand the impact of subsidies;

NOW, THEREFORE, BE IT RESOLVED, that the Whatcom County Council:

Expressly recognizes the critical role that affordable, accessible, high-quality childcare in serving the public good, and supports the deployment of Healthy Children’s Funds through subsidies and rate augmentation programs as an effective and appropriate means for establishing, maintaining and expanding local childcare opportunities that promote equal opportunity, family stability, enhanced services for low-income families, and economic prosperity.

Affirms the HCF implementation plan priority to increase access to high quality early learning and care for families burdened by child care costs through a childcare tuition subsidies program.

Supports the creation of a subsidy program for families earning up to 85% of the State Median Income (SMI), with a focus on expanding support for families with infants, toddlers, and preschoolers who are currently underserved.

Finds that such a subsidy program aligns efforts with the Washington State Legislature and their funding of the WCCC program, which may require future Council adjustments depending on SMI funding threshold approved in the 2025 legislative session and in future legislative sessions.

Endorses an outreach and enrollment campaign that will measurably increase local participation of local families in the state Working Connections Child Care program. This campaign should include strategies to measure campaign effectiveness and for reinvesting in successful outcomes.

Supports the implementation of a rate augmentation program for Whatcom County childcare providers serving low income families and the most resource-intensive and costly age groups. More specifically, supports an initial rate augmentation up to \$300/month for licensed WCCC providers who serve infants and toddlers 0-3 in Whatcom County.

Supports development of other options and supports for all childcare providers in Whatcom County and will anticipate recommendations toward that end with feedback from Councilmembers.

Authorizes funding for initial start-up administrative costs for third-party program administration of the subsidy and rate augmentation programs, plus ongoing operational funding to ensure effective subsidy and rate augmentation management, enrollment processes, and provider partnerships.

BE IT FURTHER RESOLVED, that the Whatcom County Council commits to monitoring the impact of any subsidy and rate augmentation programming, ensuring that either or both programs effectively reduce financial barriers for Whatcom County families, particularly those earning at or less than 85% of State Median Income, and enhances the amount and quality of care provided by child care providers in Whatcom County, with the goal of continuous improvement and expansion to serve all families in need.

ADOPTED by the Whatcom County Council on this ___ day of _____, 2024.

WHATCOM COUNTY COUNCIL

ATTEST:

WHATCOM COUNTY, WASHINGTON

Cathy Halka,
Clerk of the Council

Barry Buchanan,
Council Chair

APPROVED AS TO FORM:

Christopher Quinn 12/3/2024

Civil Deputy Prosecutor