SUPPORTING KING COUNTY’S WOMEN, FAMILIES & EMPLOYERS: IMPROVING CHILD CARE ACCESS AND AFFORDABILITY THROUGHOUT KING COUNTY

RECOMMENDATIONS FOR THE KING COUNTY EXECUTIVE AND THE METROPOLITAN KING COUNTY COUNCIL PREPARED BY THE KING COUNTY WOMEN’S ADVISORY BOARD

Introduction

In 2017, the King County Women’s Advisory Board (WAB) adopted the topic of improving child care access and affordability in King County. Since January 2017, WAB meetings have focused on educating members about child care in King County and on analyzing successful strategies for adoption and implementation of policies that may help improve the affordability and accessibility of child care in King County.

The WAB’s examination reveals that lack of access to quality child care is a stark problem that affects not only King County’s families, but also its employers and economy. King County’s supply of child care fails to meet demand, and the supply is unevenly distributed. Child care in King County is among the most costly in the nation, in part because the significant cost drivers of child care are higher in King County than the national average. According to a 2016 analysis by the Center for Economic and Policy Research, child care and nursery school costs had been growing faster than inflation for at least 25 years. While families in King County pay more for child care than in other regions of the state and nation, King County has a greater proportion of families with children under five who are living below 150 percent of the Federal Poverty Level than some of its peers in both the state and nation.

Although the lack of affordable and accessible child care affects the entire County, these challenges disproportionately impact women, particularly women of color, women living in rural areas.

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1 Members of the King County Women’s Advisory Board (WAB) in 2018 include: Chair Sarah Reyneveld, Executive-At-Large appointee Annette Messitt, Executive-At-Large appointee Kathy Brasch, Adrian Medved, Joey Ketah and Aimee Grant. In addition to WAB 2018 members, former Advisory board member Sabrina Bolieu contributed, but did not vote on the final slate of recommendations, to this work.
2 Established in Title II, Chapter 30 of the King County Code, the WAB was created “to act in an advisory capacity to the executive and council, making recommendations to ensure that the needs, rights and well-being of women are taken into account in the development and implementation of legislation, policies, programs and funding in King County.”
3 Jeffrey Beck et al., Affordable Child Care for all in King County (2013-2017), 32.
4 Jeffrey Beck et al., Affordable Child Care for all in King County, 32.
6 Jeffrey Beck et al., Affordable Child Care for all in King County, 12.
communities, low-income women and young women. Many women who would choose to work outside of their home after having a child do not have that option because of the lack of affordable child care. Others are forced to return to the workforce without a stable child care arrangement or the assurance of quality child care. There is evidence supporting the conclusion that younger women, women of color, and women and families residing in rural areas of King County have an even more difficult time accessing and affording child care. Additionally, while there have been efforts to address the gender pay gap in King County, the family pay gap—the difference in the pay gap between women with children and women without—has widened. Access to affordable, high-quality child care can help mitigate the gender pay gap and the family pay gap by decreasing the number of women leaving employment as a result of the unavailability of quality, affordable child care options. Access to affordable, quality child care may also reduce families’ short and long-term need for public assistance by enabling parents, often women, to remain in the workforce. A report by the Pew Research Center notes one factor that may help explain an increase in stay-at-home moms is the rising cost of child care.

While the work of the King County WAB is primarily focused on improving women’s lives in King County, access to affordable child care may also have positive impacts, both in the short and long terms, on the lives of children. Studies show that “children do better socially, academically and emotionally” when they have access to quality and affordable child care. Furthermore, access to affordable, quality child care may have a positive impact on the opportunity and achievement gap for low-income children and for children of color, to the extent that this gap is related to the economic benefits that a family might reap from parental ability to choose to remain in the workforce and/or any educational, employment, or other related benefits that may be gained as a result of children’s access to quality early learning programs in quality child care settings. Achieving these benefits will require increased investments in quality child care for children from birth to five years old.

The following recommendations were formed with input from, and the expertise of, a diverse group of leaders on these topics, both during WAB meetings and a WAB-hosted forum on affordable and accessible child care in King County.

Contributors included:

- Deann Puffert (Child Care Resources)
- Chrissie Rusilio (King County Human Resources)

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7 Murman, Francesca and Alice Park, United Way of King County, Understanding King County Racial Inequities: King County Racial Disparity Data, November 2015, pg. 20. King County Office of Performance, Strategy and Budget, The Determinants of Equity: Identifying Indicators to Establish a Baseline of Equity in King County, January 2015, pg. 6 and 24 – 26.


10 Jeffrey Beck et al., Affordable Child Care for all in King County, 7-8.


12 Jeffrey Beck et al., Affordable Child Care for all in King County, 13.

• Liz Vivian (Women’s Funding Alliance)
• Denise Pruitt (King County Human Resources Division)
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• Shannon Braddock (Deputy Chief of Staff to King County Executive Dow Constantine)
• Washington State Representative Kristine Reeves
• King County Councilmember Rod Dembowski
• Nat Morales (The Office of United States Senator Patty Murray)
• Robin Lester (Child care Aware of Washington)
• Marilyn Lopez (parent)

Recommendations

RECOMMENDATION 1: Establish a King County Child Care Assistance Program to Help Low- and Moderate-Income Families in King County Afford Quality Child Care.

The WAB heard from experts and stakeholders that high tuition costs make child care unaffordable and inaccessible for many low to moderate-income families in King County. According to Senator Patty Murray’s King County Director, Nat Morales, who delivered a message from Senator Murray to the WAB in March 2018, the skyrocketing cost of child care is a burden that families cannot and should not have to bear without governmental help. This need for a “third-party” payer was echoed by experts in King County, including Robin Lester of Child Care Aware of Washington and Deeann Puffert, Executive Director of Child Care Resources. In King County, the median monthly cost of full-time infant care for families exceeds $1,500, and many families pay much more. According to Deeann Puffert, King County families making 100 percent of the county’s median income are spending nearly 25 percent of their income on child care.14

Quality child care costs are particularly burdensome for working families in King County because they are compounded with the high cost of housing. A 2016 analysis indicates that more than forty-seven percent of King County renters pay more than thirty percent of household income for rent. Despite the high cost of child care and housing in King County, there are currently limited government programs to help low-and moderate-income families outside of the City of Seattle afford the cost of child care. Beyond existing state programs, King County’s adopted Implementation Plan for the Veterans, Seniors and Human Services Levy (VSHSL) includes child care-related funding. This levy-funded program includes: 1) authorization to use, on an emergency basis, short-term financial assistance funding to cover the partial costs of child care for low-income renters or homeowners facing a crisis who are not likely to need long-term assistance once their housing is stabilized through VSHSL Strategy HS 5.D Housing Stability Program; 2) VSHSL Strategy FS 1.A Employment Training, Placement Supports which authorizes the use of financial assistance to help low-income parents or other guardians to

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14 In an effort to address this problem on a national level, Senator Murray has authored Senate Bill 1806, the Child care for Working Families Act. Under this bill, no family making under 150 percent of the state medium income would spend more than 7 percent of their income on child care.
cover partial costs for child care to enable parents or other guardians to search for employment or prevent parents or other guardians who are participating in training, placement or support programs from missing out on an employment opportunity due to child care expenses; and 3) VSHSL Strategy FS 3.B Student Veteran Child Care Pilot, which will fund an entity or entities to provide low-income student veterans with financial assistance to cover partial costs of child care so that the student veteran can continue classes instead of dropping out of school due to the high cost of child care. The latter strategy also authorizes the consideration of a similar pilot for vulnerable population student parents who are seeking to continue classes at a college or university in King County should uncommitted VSHSL proceeds become available.

The City of Seattle has taken some steps to begin addressing the high cost of child care for low-income families. Those programs may be instructive in considering countywide approaches.

- The City of Seattle’s Child Care Assistance Program (CCAP) provides vouchers to eligible families at the time they enroll in an eligible child care program. To qualify for CCAP, recipients must live in the City of Seattle, meet income eligibility guidelines, be employed and/or enrolled in education or job training, and must be ineligible for any other child care assistance programs.

- Low to middle-income residents with three and four year olds may qualify for the Seattle Preschool Program, which aims to make quality preschool available for Seattle residents. Low-income families in King County with incomes up to 200 percent of the Federal Poverty Level may be eligible for Washington State’s Working Connections (WCCC) Child Care Subsidy Program.

At the state level, low-income families with children from three to five years old might also be eligible for the Early Childhood Education and Assistance Program (ECEAP), which receives funding from Washington State, or for the Head Start program. These statewide programs have the same income eligibility criteria whether you live in rural Eastern Washington or in King County; this fails to address King County’s exceptionally high costs of living and cost of child care. The lack of accounting for higher costs of living in King County may make these programs less effective for King County residents.

In combination, the existing State programs and those present within the City of Seattle leave clear gaps: families in areas of King County outside of Seattle with newborns to three year-olds have the most need for care assistance. Additionally, moderate income families in Seattle and King County who need child care assistance experience a child care “cliff effect” if their incomes rise beyond 200 percent of the federal poverty level. Third, families whose incomes are higher than 200 percent of the federal poverty level but for whom the cost of child care in King County presents an affordability challenge, sometimes potentially absorbing the entirety of or the

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16 The “cliff effect” refers to the point at which a family whose income exceeds 200 percent of the federal poverty level by even a few dollars loses complete eligibility for assistance, which may incentivize households to suppress their income growth when they have child care-aged children, rather than seeking to gradually increase their household income. Puget Sound Sage, East African Community Services, Para los Niños, and the Church Council of Greater Seattle, Between a Rock and a Hard Place: King County’s Child Care Crisis, August 2014, 3.
majority of the income that a single parent who works or a second working parent might be able to generate, are also significantly impacted.\textsuperscript{17}

Thus, the lack of child care assistance for families between the point when their income growth impacts benefits access and their achieving income generation sufficient to stably afford the cost of child care can negatively impact the choices available to them and can have long-lasting effects on economic mobility.

King County has previously provided child care subsidies. Consideration of this recommendation should incorporate lessons from that experience. In 1989, King County established the King County Child Care Program to assist low- and moderate-income families in affording child care.\textsuperscript{18} The program was funded by the County’s Health and Human Services Fund—a fund established in 1988 that used twenty-three percent of a two-tenths percent sales tax required to provide health and human services to residents of unincorporated areas\textsuperscript{19}—but discontinued the program in 2002. The King County program was modeled after a City of Seattle program and provided vouchers to help income-eligible families pay for child care. Eligible families were required to live in King County outside of Seattle, work or be involved in training and meet annual income guidelines. Income eligibility began immediately above the State’s Working Connections Child Care (WCCC) Subsidy Program ceiling and ranged up to 70 percent of county median family income. Parents participated in the cost of care using a sliding scale fee and funds were allocated to regions of the county based on need. Every effort was made to honor parents’ request for specific providers.

**Specific Actions for Recommendation 1:**

- Establish a King County Child Care Assistance program to assist low- to moderate-income families in King County with affordable child care. The King County Child Care Assistance program should serve income-eligible parents by providing the following:
  - Vouchers to assist moderate- to lower-income families countywide whose income is higher than eligibility limits for Federal or State child care assistance programs in affording quality child care. Income eligibility should begin immediately above the Working Connections Child Subsidy Program and serve lower- to moderate-income families who have difficulty affording child care, particularly in the context of King County’s higher cost of living. Such a program could put King County’s families on an

\textsuperscript{17} For a family comprised of a single, working parent and three children needing care—an infant, a toddler and a preschooler—the total annual cost of care, based on 2018 median costs for each category of care, would be $49,164. The 2018 200 percent Federal poverty level for a family of four is $50,200. If this were a five-person family, with two working adults, the 200 percent Federal poverty level in 2018 is $58,840. Using the City of Seattle’s $15 minimum wage for each working adult and assuming full-time work, the five-person family would generate $62,400 gross in income in a year. While this is above the cliff effect point, after paying for care for their three children, the family would need to meet all of their other needs for the year with $13,236; this is not enough to afford an averagely priced ($1,658 per month) two-bedroom, one-bath apartment in King County in the Spring of 2018. See Runstad Department of Real Estate, “Washington State Apartment Market Report – Spring 2018”, University of Washington, Spring 2018, 6.

\textsuperscript{18} Please refer to King County Council Motion 7514 (1989). An archived copy of Motion 7514 is available online at https://aqua.kingcounty.gov/Council/Clerk/OldOrdsMotions/Motion%207514.pdf.

\textsuperscript{19} Please refer to King County Council Motion 7204, Attachment A (1988). An archived copy of Motion 7204 is available online at https://www.kingcounty.gov/council/clerk/search_archive.aspx.
A $40,000 household income has less “buying power” in King County than in many other Washington Counties. Uniform income standards for the Working Connections Child Subsidy Program that do not account for intra-county differences in “buying power” are inequitable. Many low- to moderate-income King County families are “over-income” for state subsidies despite having relatively lower “buying power” because of the costs of living in King County. This number is based on the 2018 King County median cost of infant care. Jeffrey Beck et al., Affordable Child Care for all in King County, 48-49.

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22 This number is based on the 2018 King County median cost of infant care. Jeffrey Beck et al., Affordable Child Care for all in King County, 48-49.

23 Jeffrey Beck et al., Affordable Child Care for all in King County, 18.
workers, the vast majority of whom are women. Costs associated with licensing, insurance, fixtures, and adequate staffing are essential to support quality child care. Reducing rent expenses, as one of the primary drivers of a child care providers’ cost, could increase the number of providers who can afford to provide services without adversely impacting the quality of care.

Unfortunately, few child care providers are in a position to fund the creation of new facilities. The lack of capital resources for financing restricts the building of new centers or the growth of existing centers. While investment in new child care slots is necessary to serve the increasing population of new families in King County and help close the widening opportunity gap, public resources are limited.

In the 2015 Legislative Session, the Washington State Legislature’s transportation package included authorization for Sound Transit 3 and created a Puget Sound Taxpayer Accountability Account (PSTAA). PSTAA funds are to be directed to transit-oriented counties such as King County and distributions from the account may be used “only for services to improve education outcomes in early learning, K-12, and higher education, including, but not limited to for youths that are low-income, homeless, or in foster care, or in other vulnerable populations.” PSTAA funding has been allocated to serve educational services or facilities. The King County Council adopted Motion 15029 in 2017, stating the Council’s intent to develop an implementation plan to invest proceeds from the PSTAA to improve educational outcomes in King County through investments in early learning programs; college and career training programs; and in programs that serve children and youth from low-income families or communities of color, or who are homeless, in the foster care system, in the child welfare system, involved in the juvenile justice system or otherwise vulnerable.

Specific Actions for Recommendation 2:

- King County should invest funding to build new child care facilities in King County. King County should partially fund new child care with the $315 million in one-time funds from the Washington State Legislature’s 2015 Puget Sound Taxpayer Accountability Account (PSTAA). The WAB joins a broad group of stakeholders that support investment of this one-time funding in child care facilities to close the opportunity gap for children living in King County. King County should also consider how other current and future funding sources might contribute to increasing the supply of child care facilities in King County; and

- If and where King County is the local government, streamline permitting processes for child care facility construction as part of transit-oriented development and Sound Transit 3. Where a city is the local government, encourage or incentivize their streamlining of permitting processes.

RECOMMENDATION 3: Create a King County Child Care Task Force to further explore and develop these recommendations, to examine child care needs and to formulate solutions tailored for King County families and employers.

On March 15, 2018, Governor Jay Inslee signed into law Substitute House Bill 2367, which created a statewide Child Care Collaborative Taskforce. The taskforce will examine the effects of child care affordability and accessibility on the workforce and on business and develop policies and recommendations to incentivize employer-supported child care in Washington. It will also improve child care access and affordability for employees. The task force is comprised
of statewide representatives of various interests. The goal of the taskforce is to formulate findings and recommendations to the Governor by November 1, 2019.

King County’s child care system has particularized conditions and problems that warrant a complementary, county-specific examination. Intra-county jurisdictions’ support for living wages and the higher cost of living affect the cost of care, which is already one of the highest in the country. State child care voucher eligibility uses uniform income guidelines across the state rather than tailoring to regional differences, unfairly narrowing the class of King County residents that qualifies for state subsidies. When King County residents do qualify for a state voucher, child care centers in King County, who are also battling a higher cost of doing business, may not accept them because they do not adequately cover costs.

King County also exhibits strengths that suggest it can lead the state in developing solutions to child care issues. As the key ingredient in the region’s and state’s recipe for economic growth, King County is host to leading businesses, and is a global center of innovation. King County has the resources, values and will to address difficult challenges around child care that affect families, businesses and governments. This unique mix of challenges and strengths warrants a King County-specific analysis by a diverse and representative King County task force.

Specific Actions for Recommendation 3:

- Create a King County Child Care task force similar to the one proposed at the state level to perform a complementary, intensive inquiry and deep analysis of child care needs and recommend solutions specific to King County. The task force should help convene a roundtable with businesses to raise awareness of the challenges King County employees and providers face in accessing and providing child care and identify ways in which employers can be part of the solution. The task force should culminate in the development and delivery of a report with significant community input that includes actionable recommendations to realize the goal of increasing access and affordability of child care in King County. The analysis and recommendations should be as specific as possible to the unique conditions within King County. The deadline for the King County Task Force’s report should allow for incorporation and analysis of the Statewide Task Force’s recommendations, which are expected in late 2019;

- Task Force members could include child care representatives from the County’s full geography, including cities and unincorporated areas; representatives of private and non-profit businesses of varying sizes; representatives of child care resource and referral networks; child care provider or representatives from an association representing child care providers; representatives from key County agencies or initiatives such as the County’s Human Resources Department (HRD) and the County’s Best Starts for Kids (BSK) initiative. A representative from an association representing the interests of King County women and families, such as the King County’s WAB. Membership should embody the County’s economic, cultural, racial, ethnic, and experiential diversity;

- The Task Force should be supported by dedicated staff that can provide robust and continuous support to the task force that maximizes the impact and effectiveness of the significant investment of volunteer time that would be required of task force members. The staff could be hired specifically for this work as a part-time or full-time job-sharing position to
exemplify the types of innovative employer approaches that can support women with child care-aged children; and

- The King County Child Care Task Force should examine and propose actionable recommendations related to the following:
  
  o How to implement King County child care subsidies, including a voucher program as proposed;
  
  o Options for the County to incentivize public and private employers to provide employer-supported and back-up child care;
  
  o Opportunities for King County to invest in the development and construction of new child care facilities and to streamline permitting and licensing requirements for these facilities within King County. These facilities should have a special focus on areas that are “child care deserts,” offer infant care, and non-standard or 24-hour child care;
  
  o Explore the financial incentives available to the County to support employer-supported child care;\(^{24}\)
  
  o Expand King County’s pilot "Bring Your Infant to Work" program to all public employees and determine ways to incentivize private sector employers to implement such programs;
  
  o Policy recommendations that address racial, ethnic, and geographic disparity and disproportionality in service delivery and accessibility for families in King County;
  
  o A King County Preschool Program aimed at serving low- to middle-income residents with three- and four-year-olds modeled after the Seattle Preschool Program; and
  
  o Further analysis of these recommendations.

**RECOMMENDATION 4: Address the High Cost and Shortage of Infant Care by Adopting an Infants at Work Program and Flexible Telecommute Policies**

King County is one of the least affordable places to live in and to secure affordable infant child care in the United States. According to experts such as Deann Puffert, there is a serious shortage of infant care in King County and it is the most expensive type of child care to provide. The cost of child care is often more expensive than the cost of yearly in-state tuition at Washington State colleges or universities. The younger the child, the more expensive the care. Infant care is often times closer to $24,000 or more per year, a challenging sum to afford as the median income of single female parents in King County persistently trails far behind other family configurations.\(^{25}\)

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\(^{24}\) According to Child care Aware of Washington’s Robin Lester and Representative Reeves, while they advocate for a “third-party” payer child care system that involves government help, it is imperative that employer’s also be involved in solving the child care crisis by investing in child care.

\(^{25}\) David Kroman, “As King County gets richer, single moms get poorer,” *Crosscut*, June 4, 2018.
One way to begin to lessen the financial burden of infant care on new parents and to allow parents to continue to bond with their infants is to allow for greater workplace flexibility. In 2015, The Washington Department of Health (DOH) implemented an “Infants at Work Program” to allow parents or guardians to bring their infants age six weeks to six months to work. The concept encourages employees to “bring their whole selves to work.” The program serves as an investment in employee retention and improves infant health and development. In addition to the DOH, the Infants at Work Program has been successfully implemented at numerous State agencies across Washington State. In addition to improving employee morale and family health, infant at work programs have been shown to boost families’ economic mobility by diminishing the wage gap and inequity in the workplace by allowing parents to work while caring for their new child.

Specific Actions for Recommendation 4:

- King County should adopt a King County Infants at Work Program to allow eligible parents and guardians to bring their infants aged six weeks to six months to work. King County Council recently passed Motion 15133, directing the development of a pilot Infants at Work Program. The King County WAB testified in support of Motion 15133 and will monitor the development and implementation of this Motion;26 and

- Expand and ensure the availability of part-time employment and telecommute options for parents and guardians in all sectors of King County employment. Offer and encourage telecommuting and flexible hours to allow parents and guardians to participate in the infant at work program and accommodate child care needs (i.e., pick up and drop off for child care). This will also lead to shorter commute times for all employees, which improves quality of life.

RECOMMENDATION 5: King County should inspire and incentivize employers throughout King County to support families who require child care by developing a King County child care resource website, convening a child care employer roundtable, supporting employer supported child care and offering dependent care flexible spending accounts as part of their benefit package.

Solving the child care crisis will not only help women and families in King County, but it will also benefit King County businesses. Accordingly to Robin Lester and Representative Kristine Reeves, the employer is one of the biggest beneficiaries of affordable and quality child care because it reduces absences and employee attrition. Businesses in King County are already facing challenges finding and retaining a skilled workforce. A recent report by the United States Chamber of Commerce Foundation found that high-quality child care is a promising strategy to address the workforce crisis.27 King County should partner with businesses to incentivize the provision of employer supported child care to reduce employee absences and increase the employee retention rate.

In 2018, Representative Kristine Reeves sponsored House Bill 2396, which aimed to provide meaningful incentives to employers to increase the accessibility and affordability of child care for working families. The Bill required the Department of Children Youth and Families (DCYF) to

27 U.S. Chamber of Commerce Foundation, “Building a high-quality foundation of education from the start.”

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provide guidance for the provision of employer supported child care, create a website that contains business resources and guidance for employer supported child care and provide business or occupation (B&O) or public utility tax (PUT) credit for certain businesses contributing to dependent care flexible spending accounts of eligible employees. As the bill failed to pass the legislature, King County should develop a public/private partnership to incentivize employers in King County to offer employer supported child care and create a website for families and business with child care resources.

Specific Actions for Recommendation 5:

- King County should develop and support an employer and employee specific child care website and collaborate with, support, or encourage other regional employers and employees to use this resource to develop or create a similar platform or platforms for their employees. This resource would provide parents and employers in King County with:
  
  o Information on available resources to identify child care options and providers, including linking to existing community organizations that serve as clearinghouses for this information;
  
  o Resources and guidance on employer-supported child care and flexible spending account options; and
  
  o Best practices on Infants at Work Programs.

- King County should convene a roundtable with businesses to raise awareness of the challenges King County employees and providers face in accessing and providing child care and identify ways in which employers can be part of the solution.

- King County should take a leadership role in incentivizing employers in King County to provide employer supported child care and dependent care flexible spending accounts.