
Washington's Child Care Monitoring and Accountability System

Presenters:

Nicole Rose, Assistant Secretary, Early
Learning

Ruben Reeves, Assistant Secretary,
Licensing

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Washington State Department of
CHILDREN, YOUTH & FAMILIES



Agenda

- Program Overview
- Eligibility & Provider Authorization
- Licensed Provider Monitoring & Oversight
- Audit & Review Processes
- Overpayments vs. Fraud
- Overpayment Collection & Fraud Referrals
- Independent Audits & Reviews

Working Connections Child Care (WCCC) Overview

- Working Connections Child Care (WCCC) is a public benefit that helps families afford high-quality child care
 - The state pays a portion of the cost
- Funding source: state and federal funds
- Number of families determined eligible (2025): 63,753
- Number of licensed child care providers: 6,629
- Number of license-exempt Family, Friend, and Neighbor (FFN) providers: 2,243
- Expenditure for child care (FY25): \$927 M

Eligibility & Provider Authorization



Licensed Provider Monitoring & Oversight

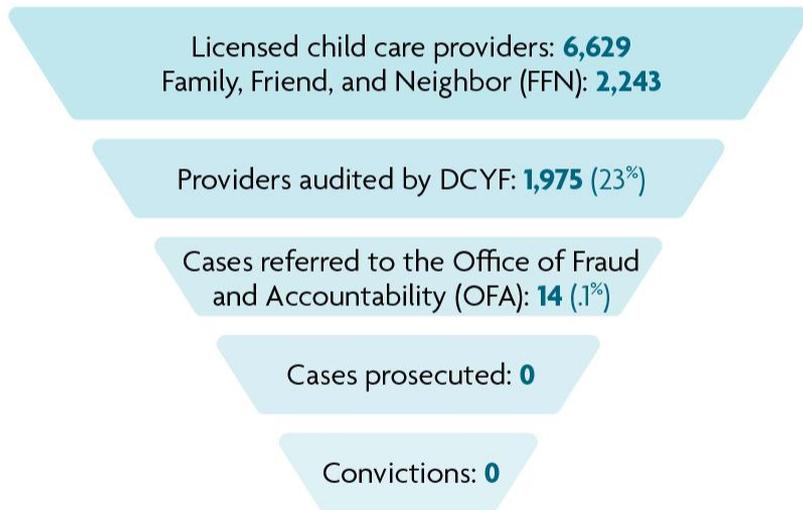
- DCYF regularly inspects licensed child care programs to make sure they meet safety and health standards.
- Every licensed provider is visited in person at least once annually.
 - These visits are unannounced, in-person inspections to observe normal day-to-day operations.
 - Licensing complaint investigations are also unannounced.
- DCYF conducts follow-up and on-site technical assistance visits as needed.

Audit & Review Processes

- DCYF has a program integrity plan that includes both random and focused audits to confirm:
 - Families meet eligibility requirements
 - Staff processing is accurate
 - Payments and billing are correct
- DCYF also performs focused provider audits based on referrals from the field (licensing, call center, and subsidy staff).
- A centralized team of 12 auditors carries out this work:
 - Six auditors conduct audits of families to verify eligibility
 - Six auditors conduct audits of provider billing

2025 Child Care Audit and Investigations: Providers

This graphic shows the number of providers (licensed and exempt) in Washington State, those that were audited, and the results of those audits and referrals.



References and Notes:

FFN providers are grandparents, aunts and uncles, elders, older siblings, friends, neighbors, and others who help families by providing child care and receive subsidy payments but are exempt from licensing.
Data Sources: DCYF internal records; OFA; WA Compass.
Data Notes: Referrals to OFA includes outside referrals. Licensed child care data pulled from WA Compass on 11/30/2025. Percentages less than .1 are not included.



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2025 Child Care Audit and Investigations: Families

This graphic shows the number of families that received Working Connections Child Care (WCCC) subsidy in Washington State, those that were audited, and the results of those audits and referrals.



References and Notes:

Unique families who established eligibility for WCCC. DCYF currently pays subsidy for approximately 37,000 families per month. This number will increase as child care providers have 3 months after the month of service to claim payment.
Data Sources: Barcode internal reporting; SSSP internal reporting; DCYF internal records; OFA. Percentages less than .1 are not included.

What is Fraud?

What is Fraud?

- State law defines fraud as **intentional deception** made with the knowledge that it could result in an unauthorized public benefit.
- Examples of Fraud:
 - Claiming payment when no children attended care.
 - Intentional overclaiming of services.
 - Unreported household members to qualify for benefits.

Overpayment vs. Fraud

- Overpayments can occur at either the family or provider level.
- Overpayments may result from:
 - Inaccurate information
 - Changes that were not reported on time
 - Administrative error
- **An overpayment does not automatically mean fraud.**

Overpayment Collection & Fraud Referrals

- DCYF refers overpayments to DSHS Office of Financial Recovery (OFR) on family and provider overpayment collection.
 - OFR has authority to recover overpayments using a variety of efforts including repayment agreements, wage garnishments, and liens.
- DCYF coordinates with the DSHS Office of Fraud and Accountability (OFA) who investigates potential fraud and potential criminal prosecution.
 - Potential fraud investigations may come from DCYF referral, other state agencies, or public reports to the OFA Fraud line.

Independent Audits & Reviews



- The State Auditor Office (SAO) audits for eligibility and provider payments annually under the Statewide Single Audit (SWSA).
- The Federal Office of Child Care (OCC) conducts a formal on-site monitoring of Child Care and Development Fund (CCDF) funded programs every three years.



Key Takeaways

- Robust licensing, eligibility verification, program integrity, and audit processes are in place.
- DCYF takes allegations of fraud seriously and ask the public to make referrals if they have any concerns.
- Washington is committed to providing families with high-quality child care.
- This work is an important investment, ensuring that children are safe and families can work.



THANK YOU

Questions for us?