

# Early Learning in Washington

## Issues & Budget

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Senate Ways & Means Committee  
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# Early Learning Presentation Overview



- Services Overview
  - Types of Childcare & Preschool Services
  - Eligibility Guidelines
  - Infant, Toddler, and Preschool Population
- Budget Overview
  - Current Funding for Early Learning
  - Child Care Collective Bargaining Agreement
  - The Governor's 2007-2009 Budget Proposal

# Washington Early Learning & Childcare Services



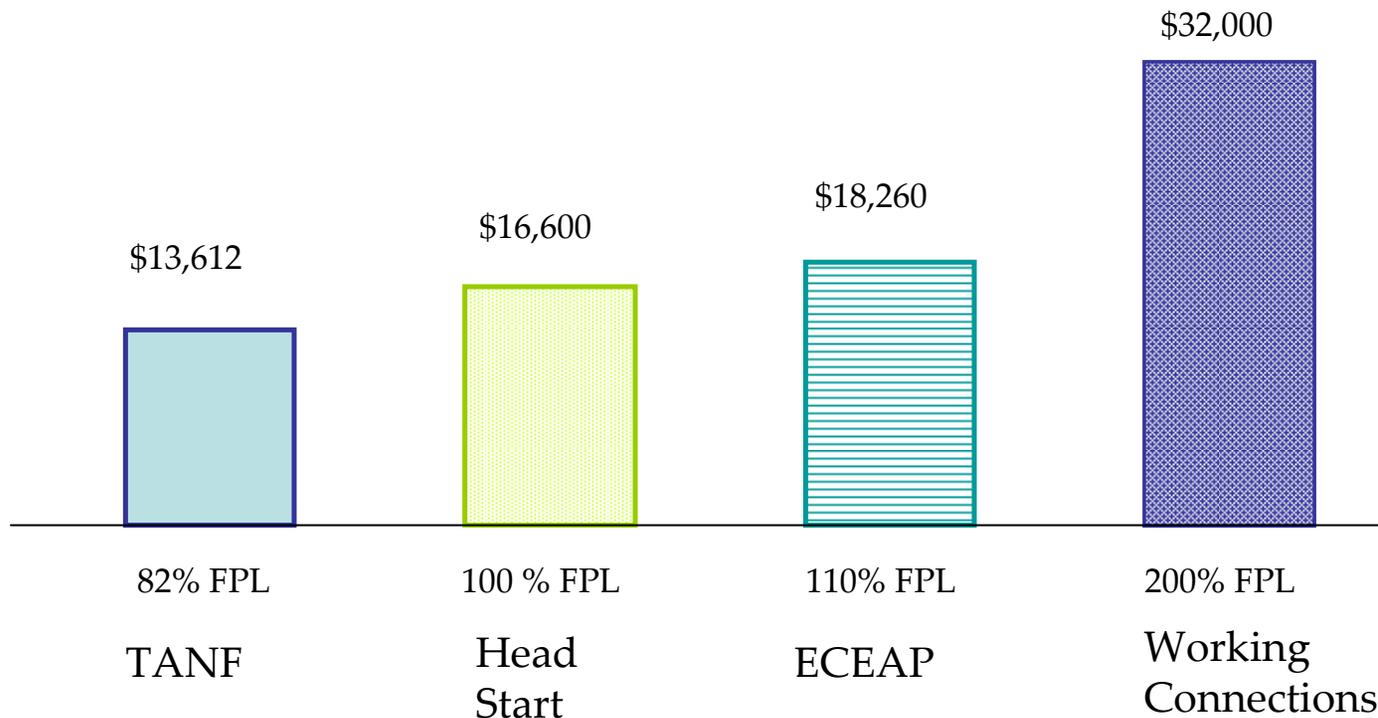
- **State Services**
  - Provider Licensing
  - Working Connections Child Care (Subsidized)
  - ECEAP—Early Childhood Education & Assistance Program (State Funded Comprehensive Child Development Services)
  - Head Start (Federal Comprehensive Child Development Services)
- **Public-Private Partnerships**
  - Child Care Resource & Referral Network
  - Thrive by Five Washington (Public-Private Partnership)



# Eligibility for Services

Eligibility for child care and early learning services are determined by a family's income level relative to the Federal Poverty Level (FPL).

## Eligibility for Services Based on a Family Size of 3

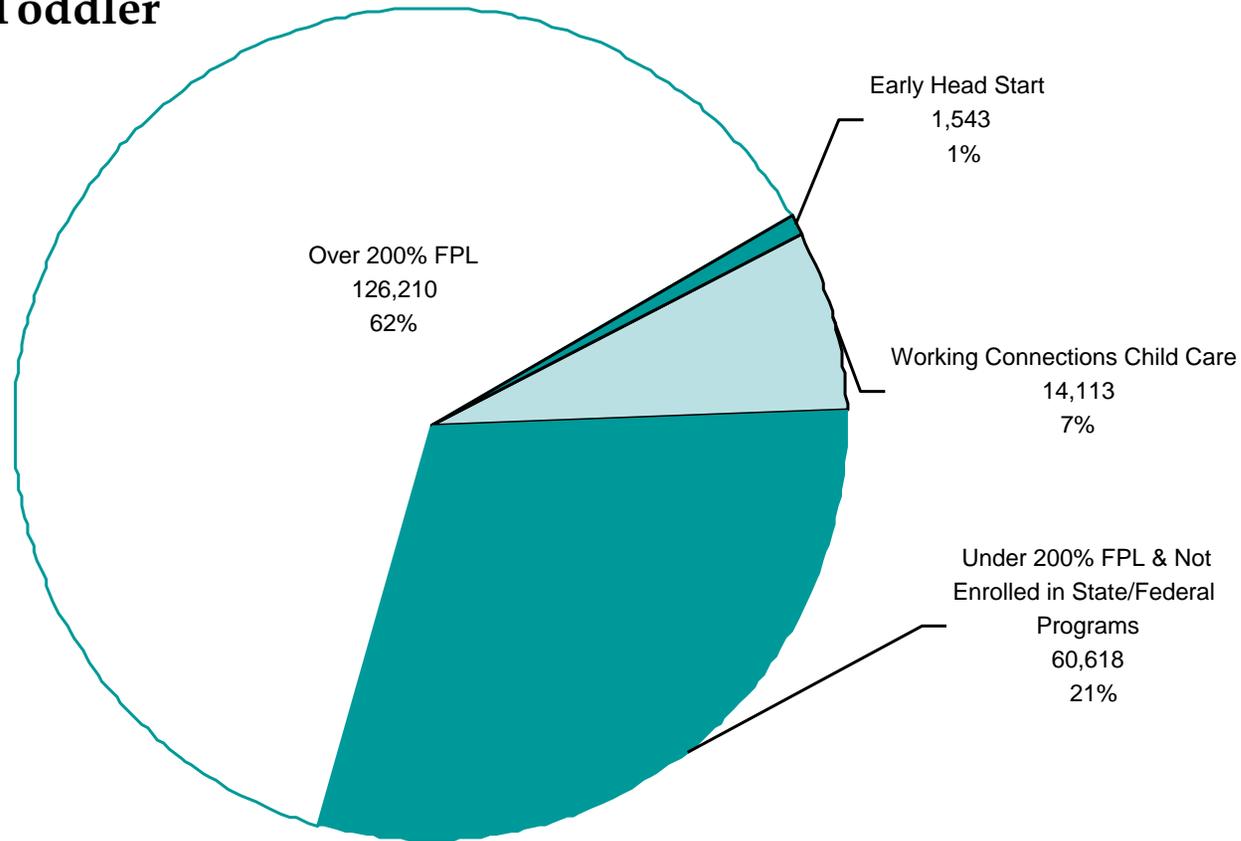


# Washington's Infant & Toddler Population (Birth to Age 2.5) <sup>(1)</sup>



## Total Infant & Toddler Population:

222,485



(1) Infants are defined by DSHS as under 12 months old. Toddlers are defined by DSHS as 12 to 29 months old.

(2) Total Infant & Toddler Population from OFM: Forecast of the State Population by Age and Sex: 1990 to 2030, November 2006 Forecast.

(3) Population from families with income under 200% of the FPL calculated from OFM & Census data, less the number served in Working Connections Child Care or Early Head Start. The total number of infants & toddlers from families with incomes under 200% of FPL is 76,000, or 38% of the population.

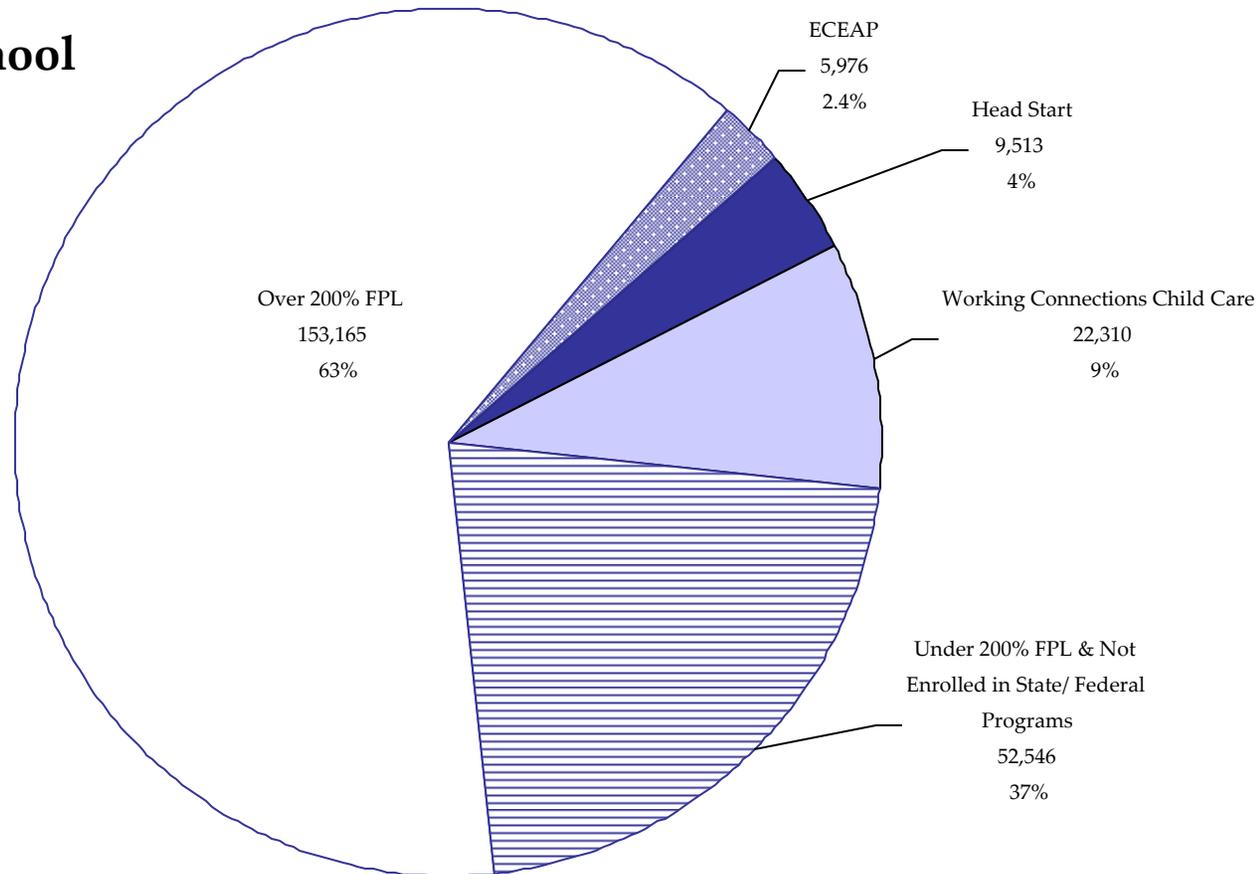
(4) Working Connections Child Care from DSHS: Economic Services Administration Briefing Book State Fiscal Year 2006.

(5) Early Head Start Data from Federal Head Start Washington State 2005 Program Information Reports for Head Start and Early Head Start, Head Start Collaboration Office, DEL.

# Washington's Preschool Population (Age 2.5 to Age 5.5) <sup>(1)</sup>



**Total Preschool Population:**  
**244,476**

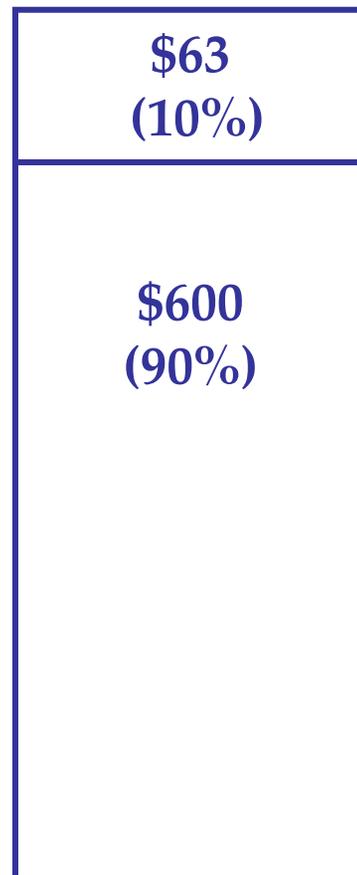


- (1) Preschool age is defined by DSHS as 30 or more months old and not eligible by age to be enrolled in Kindergarten.
- (2) Total Population from OFM: Forecast of the State Population by Age and Sex: 1990 to 2030, November 2006 Forecast.
- (3) Population from families with income under 200% of the FPL calculated from OFM & Census data, less the number served in Working Connections Child Care, ECEAP, or Head Start. The total number of preschoolers from families with incomes under 200% of FPL is 91,311, or 37% of the population.
- (4) WCCC from DSHS: Economic Services Administration Briefing Book State Fiscal Year 2006.
- (5) Head Start from Federal Head Start Washington State 2005 Program Information Reports for Head Start and Early Head Start, Head Start Collaboration Office, DEL.
- (6) ECEAP from DEL, ECEAP Cumulative Summary of Demographic Characteristics, Program Year 2006, 10/23/06.

# 2005-07 Resource for State Early Learning & Child Care Programs



\$663 Million Total Resources



General Fund-State

**Block Grant Funding:**

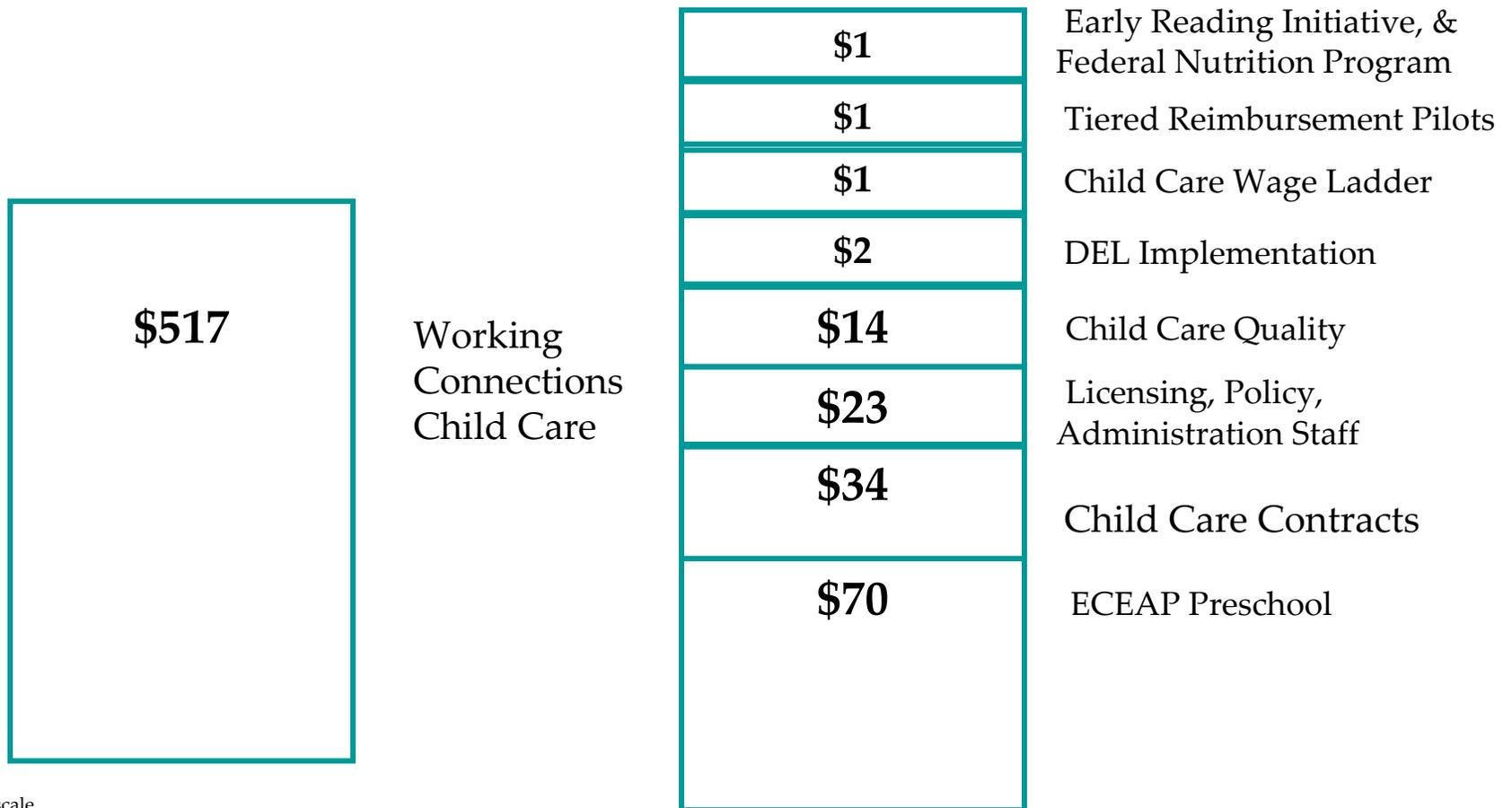
CCDF (Child Care Development Fund) state & federal funds.

TANF (Temporary Assistance to Needy Families) program Funds

# 2005-07 Expenditures on State Early Learning & Child Care Programs



\$663 Million Total Expenditures

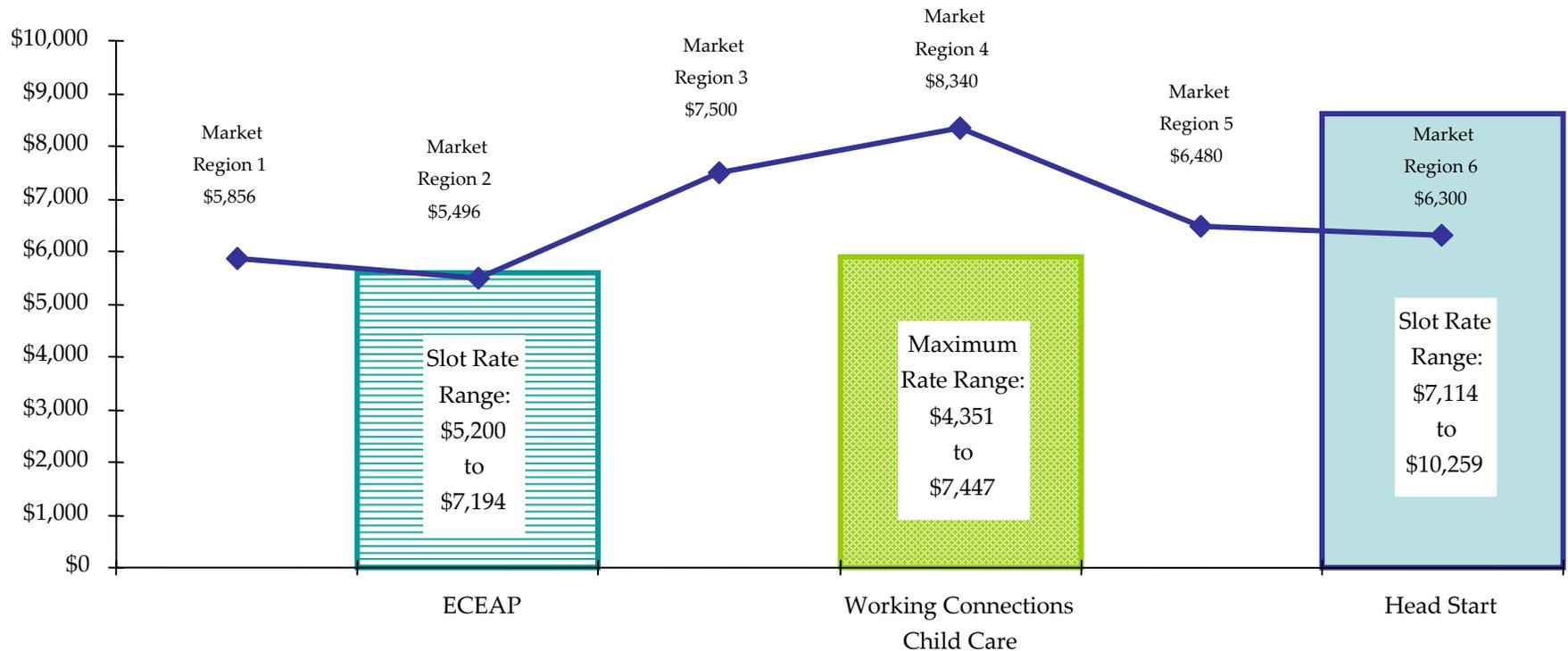


\*Not to scale.



# Current Funding, Continued

## Average Annual Costs of Various Preschool Age Services



(1) Regional data based on DSHS Regions. Data is from the 50<sup>th</sup> percentile for market rates for preschool age child care services from the DSHS Survey "Licensed Child Care in Washington State: 2004", April 2005. Daily rate is converted to an annual rate by multiplying the daily rate by 22 days per month by 12 months.

(2) ECEAP data provided by Office of Financial Management & the ECEAP program from the Department of Early Learning.

(3) Head Start data from Federal Head Start FY 2007 Head Start Funding Plan for the State of Washington, Head Start Collaboration Office, DEL.

# Child Care Collective Bargaining Agreement



- Authorized by 2006 Legislature (E2SHB 2353)
- Negotiations are Between the State & the Family Home Provider
- Applies to Providers Accepting Subsidized Child Care Clients.
- Does Not Apply to Employer/Employee Relationships Within the Family Home Facility.

# Who is Included in the Child Care Collective Bargaining Agreement:



	Does Not Serve Subsidized Children	Serves Subsidized Children
Licensed Family Home Child Care Providers		Yes
Exempt Child Care Providers		Yes
Licensed Child Care Centers		

# Results of the Tentative Agreement: Licensed Homes <sup>(1)</sup>



- **Subsidy Increase—7% for FY 2008, 3% for FY 2009**
  - *\$16.6 million cost for the 2007-2009 Biennium*
- **Subsidy—15% Infant Differential**
  - *\$1.5 million cost for the 2007-2009 Biennium*
- **Non-standard Hour Bonus**
  - *\$2.0 million cost for the 2007-2009 Biennium*
- **Tiered Reimbursement**
  - *\$0.4 million cost for the 2007-2009 Biennium*
- **Healthcare Plan Contributions—FY 2009**
  - *\$4.2 million cost for the 2007-2009 Biennium*
- **Subsidy/Licensing Training**
  - *\$1.3 million cost for the 2007-2009 Biennium*

Total for  
Licensed  
Homes:  
\$26  
Million

(1) Agreement is tentative until approved by the Legislature during the 2007 session.

# Results of the Tentative Agreement: Exempt Providers <sup>(1)</sup>



- **Subsidy Increase—4% for FY 2008, 3% for FY 2009**
  - *\$4.2 million cost for the 2007-2009 Biennium*
- **Subsidy—Level Hourly Rate for 2<sup>nd</sup> Child**
  - *\$21.0 million cost for the 2007-2009 Biennium*
- **Tiered Reimbursement**
  - *\$0.4 million cost for the 2007-2009 Biennium*

Total for Exempt Providers:

**\$25.6 Million**

(1) Agreement is tentative until approved by the Legislature during the 2007 session.

# Governor's 2007-2009 Budget Proposal



- **Total Proposed Enhancements for Early Learning & Child Care:**
  - *\$136 million GF-S (\$44 million to Dept. of Early Learning)*
- **Child Care Subsidies:**
  - Fully Funds the Child Care Collective Bargaining Agreement (DSHS)
    - *\$52 million in GF-S*
  - Child Care Collective Bargaining Implementation (DEL)
    - *\$2 million in GF-S*
  - Provides Rate Parity to Child Care Centers (DSHS)
    - 7% FY 2008, 3% FY 2009, Tiered Reimbursement, Non-Standard Hours
    - *\$32 million in GF-S*

# Governor's 2007-2009 Budget Proposal



## Funded Subsidy Rate Increases

	Does Not Serve Subsidized Children	Serves Subsidized Children
Licensed Family Home Child Care Providers		Yes (Collective Bargaining)
Exempt Child Care Providers		Yes (Collective Bargaining)
Licensed Child Care Centers		Yes (Governor Parity)

# Governor's 2007-2009 Budget Proposal, Continued



- **Early Childhood Education Assistance Program**
  - Expands ECEAP Slots by 1,000 each year (DEL)
    - *\$19 million in GF-S*
  - Vendor Rate Increase of 8% per year (DEL)
    - *\$8 million in GF-S*
- **Additional Early Learning & Child Care Changes**
  - Funds Development & Implementation of the Quality Rating System (DEL)
    - *\$9 million in GF-S*
  - Parent, Family, & Caregiver Supports (DEL)
    - *\$5 million in GF-S*

# Governor's 2007-2009 Budget Proposal, Continued



- Early Learning Information System (DSHS)
  - *\$6 million in GF-S*
- Transfers Federal Child Care Development Fund from DSHS to DEL
  - *\$216 million in federal*
- **Questions**

# Appendix

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# Appendix A: 2006\* Federal Poverty Levels (FPL) by Family Size



Annual Income by Percentage of Federal Poverty Level				
Family Size	82% (TANF)	100% (Head Start)	110% (ECEAP)	200% (Working Connections)
1	\$8,036	\$9,800	\$10,780	\$19,600
2	\$10,824	\$13,200	\$14,520	\$26,400
3	\$13,612	\$16,600	\$18,260	\$33,200
4	\$16,400	\$20,000	\$22,000	\$40,000
5	\$19,188	\$23,400	\$25,740	\$46,800
6	\$21,976	\$26,800	\$29,480	\$53,600
7	\$24,764	\$30,200	\$33,220	\$60,400
8	\$27,552	\$33,600	\$36,960	\$67,200
9	\$30,340	\$37,000	\$40,700	\$74,000
10	\$33,128	\$40,400	\$44,440	\$80,800

\*2006 poverty levels continue to be used until new standards issued in Feb/March 2007 are incorporated into WAC (Washington Administrative Code), typically around April or May.

# Appendix B: Definitions & Eligibility for Services



- Child Care Development Fund (CCDF)
  - The federal block grant to the states funding subsidized child care services to low-income families, families receiving temporary assistance, and those transitioning from public assistance needing child care while they work or attend training &/or educational classes. Includes state matching dollars and state maintenance of effort dollars required to receive the federal grant.
- ECEAP (Early Childhood Education Assistance Program) (State Funded)
  - Free state funded comprehensive child development services for children ages 3 to 5. Families must have incomes at or below 110% of the FPL or the child must be developmentally disabled.
- Federal Poverty Levels (FPL)
  - Guidelines issued annually by the Federal Department of Health & Human Services. The guidelines are used to determine eligibility for various federal & state programs.
- Head Start & Early Head Start (Federal)
  - Free comprehensive child development services for children ages birth to 3 (Early Head Start) and ages 3 to 5 (Head Start). Families must have incomes at or below 100% of the FPL or the child must be developmentally disabled.

# Appendix B: Definitions & Eligibility for Services



- Temporary Assistance for Needy Families
  - TANF is the federal/state grant program providing cash assistance & work opportunities to low-income families with children. Families with incomes at or below 83% of the FPL are eligible to receive a cash grant.
  - WorkFirst is Washington State's TANF program; includes grants, employment services, child care subsidies, etc. The Legislature currently authorizes the Governor to set WorkFirst policy.
- The "TANF" Box
  - Includes all block grant funds used for the WorkFirst program. The Legislature currently authorizes the Governor to manage expenditures in the TANF box.
- Thrive By Five Washington
  - A public-private partnership focusing on funding early learning projects such as early learning demonstration projects in White Center & East Yakima. Both will serve as pilots for the quality rating and improvement system.
- Washington State Child Care Resource & Referral Network
  - The Network is a public-private partnership providing resource and referral services regarding childcare to Washington State parents via 18 individual programs. The Network also provides professional development services to child care providers.
- Working Connections Child Care
  - Subsidized child care for families with incomes at or below 200% of the FPL, includes a co-pay.

# Appendix C: Working Connections Child Care Co-Payments\* & FPL



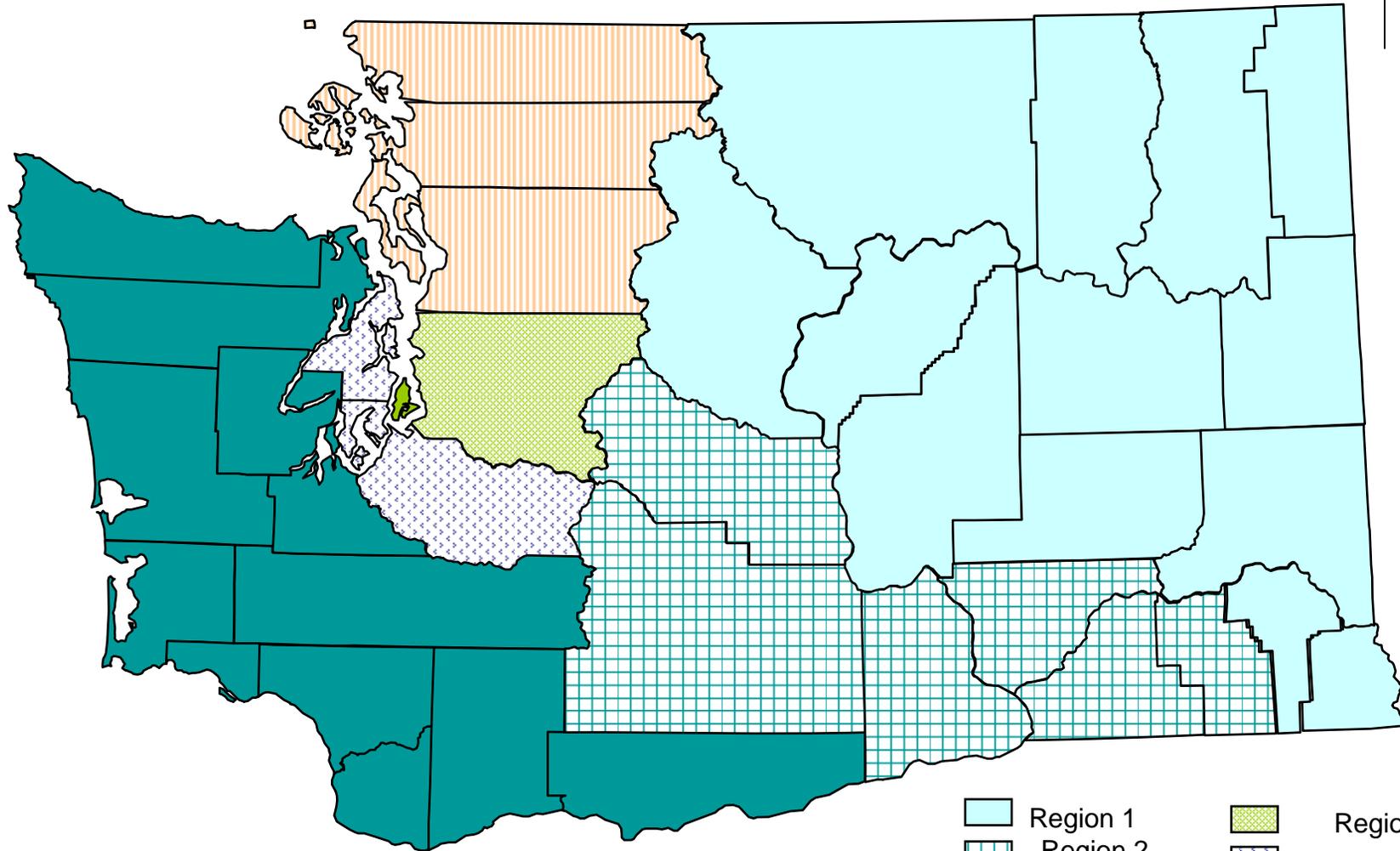
Family Size	At or Below 82% FPL	Between 82% & 137.5% FPL	Between 137.5% and 200% (formula calculation <sup>^</sup> )		
			150% FPL	175% FPL	200% FPL
1	\$15	\$50	\$55	\$66	\$77
2	\$15	\$50	\$57	\$72	\$86
3	\$15	\$50	\$59	\$77	\$96
4	\$15	\$50	\$61	\$83	\$105
5	\$15	\$50	\$63	\$89	\$114
6	\$15	\$50	\$65	\$94	\$124
7	\$15	\$50	\$67	\$100	\$133
8	\$15	\$50	\$68	\$105	\$142
9	\$15	\$50	\$70	\$111	\$152
10	\$15	\$50	\$72	\$117	\$161

\*Co-payments are paid by the family directly to the child care provider. Co-payments are assessed by family, not by child.

<sup>^</sup>For families with incomes between 137.5% FPL to 200% FPL, the co-payment is the dollar amount equal to subtracting 137.5% of the FPL from countable income, multiplying by 44%, and then adding \$50.

<http://www1.dshs.wa.gov/esa/wccc/Sections/Copay.htm>

# Appendix D: DSHS Regional Map



- |  |  |
|--|--|
|  Region 1 |  Region 4 |
|  Region 2 |  Region 5 |
|  Region 3 |  Region 6 |