

Recommendation Summary

Agency: 357 Department of Early Learning

11:59:37AM

10/5/2015

Dollars in Thousands

| | Annual Average FTEs | General Fund State | Other Funds | Total Funds |
|---|--------------------------------|-------------------------------|--------------------|--------------------|
| 2015-17 Current Biennium Total | | | | |
| Total Carry Forward Level | | | | |
| Percent Change from Current Biennium | | | | |
| M1 LA WCCC Level Awards | | 684 | | 684 |
| Carry Forward plus Workload Changes | | 684 | | 684 |
| Percent Change from Current Biennium | | | | |
| M2 BC ECEAP Background Checks | 1.9 | 558 | | 558 |
| M2 CC Compliance with Updated Federal Law | 5.2 | 5,865 | | 5,865 |
| M2 FL FamLink Rate Increase | | 294 | | 294 |
| M2 MR Market Rate Research | 0.5 | 140 | | 140 |
| Total Maintenance Level | 7.6 | 7,541 | | 7,541 |
| Percent Change from Current Biennium | | | | |
| PL B1 ECLIPSE Sustainability | | 2,152 | | 2,152 |
| PL B2 Time, Attendance, & Payment System | | | | |
| PL B3 Parity for Child Care Centers | | 20,834 | | 20,834 |
| PL B4 Reducing Financial Risk | 0.5 | 165 | | 165 |
| PL B5 Healthiest Next Generation | 1.0 | 342 | | 342 |
| PL B6 Responsive Services | | 100 | | 100 |
| Subtotal - Performance Level Changes | 1.5 | 23,593 | | 23,593 |
| 2015-17 Total Proposed Budget | 9.1 | 31,134 | | 31,134 |
| Percent Change from Current Biennium | | | | |

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M1 LA WCCC Level Awards

The Department of Early Learning requests \$683,922 in General Fund State funding to adjust its tiered reimbursement budget to fund the reimbursement amounts as predicted by three separate factors: The June 2015 caseload forecast, updated Early Achievers ratings trend data through July 2015, and the cost of level awards per participating provider. The department will submit an update to this request after the Caseload Forecast Council's November forecast.

M2 BC ECEAP Background Checks

In the enacted 2015-17 biennial budget, the Department of Early Learning (DEL) received \$247,000 per year to process background checks for ECEAP-funded staff in 1,600 newly funded slots. However, the department did not receive funding to process background checks for all support staff and volunteers in existing facilities. Fingerprint background checks are required per RCW 43.215.425 for all staff who have unsupervised access to children.

The Department of Early Learning requests 1.9 FTEs and \$558,469 in General Fund State funding to process background checks for 5,361 ECEAP funded support staff and volunteers providing preschool instruction and program support.

M2 CC Compliance with Updated Federal Law

The Department of Early Learning (DEL) requests 10.3 FTEs and \$5,864,579 of General Fund State funding to comply with additional requirements placed upon the state as a condition of receiving the newly reauthorized Child Care and Development Block Grant (CCDBG). There are five requirements, related to seasonal child care eligibility, yearly monitoring of providers, background checks, additional training services to providers, and data collection, the implementation costs for which the department cannot absorb within its existing grant resources.

M2 FL FamLink Rate Increase

The Department of Early Learning (DEL) requests \$146,928 per fiscal year to pay the Department of Social and Health Services (DSHS) for increased charges related to DEL's use of the FamLink application, the primary case management system for childcare licensing which is provided to DEL by the DSHS Children's Administration (CA). Due to a reallocation of overall system costs from DSHS to DEL, the projected cost increase (based on fiscal year 2015 invoices from DSHS) for DEL is anticipated to be 97 percent higher compared to the same months in fiscal year 2014, while DSHS will experience a savings of the same amount.

M2 MR Market Rate Research

Section 658E(c)(4)(B) of the Child Care Development Block Grant Act Reauthorization requires states to conduct a market rate survey, or use an alternative methodology, to describe how subsidy payment rates will be established, taking into account the cost of providing higher quality services. Given the presumption that the state's own subsidy rates unduly influence the market, the department is requesting 1 FTE and \$140,465 in fiscal year 2017 to evaluate both the traditional market rate analysis and an alternative "cost of quality" methodology for setting subsidy rates.

PL B1 ECLIPSE Sustainability

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The Department of Early Learning (DEL) requests \$ 2,152,000 in General Fund State (GF-State) funding for Fiscal Year 2017 to replace the previously disallowed federal funds used to fund the Early Childhood Intervention and Prevention Services (ECLIPSE) program in previous years.

PL B2 Time, Attendance, & Payment System

This package is a placeholder.

The Department of Early Learning (DEL) will be requesting necessary staffing and General Fund-State funding in fiscal year 2017 and future fiscal years to implement a Software-as-a Service (SaaS) solution for an electronic time, attendance, and payment solution for Working Connections Child Care (WCCC) and Seasonal Child Care (SCC) subsidy programs, and the Early Childhood Education and Assistance Program (ECEAP).

The solution will streamline provider payments by incorporating ECEAP invoicing, Early Achievers quality rating improvement awards and professional development incentives which are currently supported through legacy systems and manual paper-based processes. This system will also provide an application for authorized parents or guardians to check children in and out of early learning programs through a tablet device or mobile phone, and access an online portal to review documents and attendance records. Providers will access the same online portal to review records and submit electronic invoices to the State to reconcile and produce payment. Paper timesheets and invoices are replaced with this new solution that ties together child care attendance and provider payments, while existing eligibility and authorization systems will interface to the new electronic system, which has proven successful in reducing costs in numerous states across the nation. This project will be designed to enable other state agency programs to re-use this enterprise solution for similar needs within the health, human service, and early care and education domains.

PL B3 Parity for Child Care Centers

In the summer of 2015, DEL and the Service Employees International Union Local 925 (SEIU 925) fulfilled a contract reopener clause that was negotiated the prior year to review and propose changes to base subsidy rates and tiered reimbursement rates for fiscal year 2017 of the family child care provider contract in effect July 2015 through June 2017. The parties agreed to selected base rate increases and revised tiered reimbursement awards for providers rating at levels 3, 4 and 5 in Early Achievers.

The department requests \$20,833,645 of General Fund State funding in order to fund the same increases (parity) for centers that participate in Working Connections Child Care (WCCC), Seasonal Child Care (SCC), and Homeless subsidy programs.

PL B4 Reducing Financial Risk

The Department of Early Learning (DEL) has received multiple audit findings surrounding the proper eligibility determination, reporting and cash management of its federal funds. To mitigate the potential for future audit findings, DEL requests \$165,000 in fiscal year 2017 to hire an internal auditor to assist with ensuring services and processes comply with RCW 43.88.160(4)(a). This position will conduct internal audits to find issues that need to be fixed prior to a formal audit by state and federal auditors.

PL B5 Healthiest Next Generation

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The Department of Early Learning (DEL) requests 2.0 FTEs and \$342,318 of ongoing General Fund-State funding to continue implementing the Healthiest Next Generation (HNG) initiative. The HNG initiative is the coordination of comprehensive health services between DEL, Department of Health (DOH), and Office of Superintendent of Public Instruction (OSPI). Through the work of these agencies, the HNG initiative has made significant improvements in nutrition and physical activity for young children and has exposed the need for continued coordination.

Funding will be used to address statewide health coordination and case management in early learning, and support the training and mentoring of child care providers, licensors, Early Achievers coaches, and others on areas that support child health.

PL B6 Responsive Services

The Department of Early Learning (DEL) requests \$100,000 General Fund State (GF-S) in fiscal year 2017 to implement the National Standards for Culturally and Linguistically Appropriate Services (CLAS). Funding will support cultural and linguistic responsiveness training for DEL leadership and employees who provide direct services to children, families and early learning professionals. This proposal will also provide additional resources for DEL to translate and provide interpretation services for individuals who have limited English proficiency.