

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** SE Seasonal Child Care Admin Reduction  
**Budget Period:** 2011-13  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

The Seasonal Child Care contracts provides funding for a child care subsidy program available in certain Washington communities, to meet child care needs for eligible families who are seasonally employed in agricultural work. The reduction amount is state general fund used only for the contractor administrative activities around screening and eligibility determination and does not extend to the federal child care development funds for the program. DEL recommends the elimination of these contracts in the 2011-2013 budget.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	(803,350)	(803,350)	(1,606,700)
<b>Total Cost</b>	<b>(803,350)</b>	<b>(803,350)</b>	<b>(1,606,700)</b>

**Package Description:**

The Seasonal Child Care contracts currently provide funding for child care to the following contractors: Benton-Franklin Community Action Committee; Catholic Charities - Diocese of Yakima; Sea Mar Community Health Center; and Yakima Valley Farm Workers Clinic. Increasingly, families move from consultant to consultant, particularly in the Yakima Valley, and between Working Connections Child Care (WCCC) and Seasonal Child Care. This creates access issues for families, not knowing who has funds for child care subsidy, and creates a potential for fraud or overpayment. This program has been in the state for around 20 years, and was developed during a time that families were moving area to area within the state for agricultural work. In recent years, families tend to stay in a community and work for multiple farmers in their area of residence. More and more families move between WCCC and Seasonal programs.

There are approximately 2,200 households (annually) that are on the caseload for this program. DEL and Department of Social and Health Services (DSHS) can work together to leverage the existing DSHS/Economic Services Administration call center system to handle eligibility determination and other duties previously completed by the contractors. The call centers currently handle the screening and eligibility determinations for the WCCC program. DEL may see increased costs from DSHS handling the seasonal families.

This package would result in the reduction of \$1,606,700 from only the administrative activities performed by the contractors around screening and eligibility determination and other administrative record keeping for the program.

DSHS will incur some costs for modifying their automated system to calculate seasonal child care authorization amounts. Currently, this calculation is done with a spreadsheet by the individual contractors. Detailed data regarding seasonal families is currently not

accessible; however, with DSHS capturing the data, the state will have this data.

## **Narrative Justification and Impact Statement**

### ***What specific performance outcomes does the agency expect?***

The agency expects that there may be some efficiency gained through the use of the DSHS/ESA call center system; as the current system is not maintained on a central database, but rather in the individual records of each contractor. Eligible families will continue to be served through the seasonal child care program.

### **Performance Measure Detail**

#### **Activity:**

#### **Incremental Changes**

No measures submitted for package

### ***Is this decision package essential to implement a strategy identified in the agency's strategic plan?***

This decision package continues to maintain seasonal child care, using a different model of service delivery. Continuing the program of seasonal child care is critical to child safety in the seasonal agricultural population in certain areas of the state.

### ***Does this decision package provide essential support to one of the Governor's priorities?***

This decision package, while reducing state general fund, continues to support the Governor's priorities.

### ***Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?***

Yes

### ***What are the other important connections or impacts related to this proposal?***

This reduction will result in the loss of revenue for the four contractors, and the potential that employment by the contractors may be reduced.

### ***What alternatives were explored by the agency, and why was this alternative chosen?***

The agency explored other alternatives. DEL is limited in the state general funds available for reduction. There is simply insufficient state general fund available within the agency to make alternative choices. This alternative was chosen as it represented what would least impact direct services to vulnerable children.

### ***What are the consequences of not funding this package?***

State general funds continue to be appropriated to DEL.

### ***What is the relationship, if any, to the state's capital budget?***

None

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

None, no contracts have been issued for 2011-2013.

*Expenditure and revenue calculations and assumptions*

Client Service Contracts: -\$803,350 in FY12 and -\$803,350 in FY13.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

This is an ongoing reduction that would eliminate funding for contracted screening and eligibility services.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
N Grants, Benefits & Client Services	(803,350)	(803,350)	(1,606,700)



**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** CW Career and Wage Budget Reduction  
**Budget Period:** 2011-13  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

Eliminate all state funds for the Career and Wage Program.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	(1,500,000)	(1,500,000)	(3,000,000)
<b>Total Cost</b>	<b>(1,500,000)</b>	<b>(1,500,000)</b>	<b>(3,000,000)</b>

**Package Description:**

The Washington State Child Care Career and Wage Ladder (CWL), as outlined in RCW 43.215.505, provides supplemental funding for participating licensed child care centers that base staff wages on education, experience, and training. Over the past 10 years, the CWL program has given over \$12 million to early learning professionals for the purpose of improving educational levels and decreasing turnover.

The CWL Pilot Project (July 2000-June 2001) originally involved 126 licensed child care centers around the state. The center administrators entered into formal contracts with the Department of Social and Health Services (DSHS) and later the Department of Early Learning (DEL). Until most recently, DEL held contracts with 58 child care centers that have been a part of the CWL program since 2000.

The Career and Wage Program in the 2010-2011 budget had state and federal American Recovery and Reinvestment Act (ARRA) funds. The ARRA funds will be expended around February 2011 and there are no further federal funds for this program. This budget proposal eliminates the state funding for the Career and Wage program and the program will be eliminated.

The early learning plan for our state proposes investing our professional development/incentive support for child care providers in our QRIS Seeds to Success model which is currently being piloted. We believe this model is a comprehensive and cost effective approach.

**Narrative Justification and Impact Statement**

***What specific performance outcomes does the agency expect?***

Under the Career and Wage Ladder Program, participating child care providers are required to do the following for eligible employees:

1. Pay a base hourly wage of at least \$8.75 an hour;
2. Increase the hourly wage by \$.50 for moving from an assistant position to a lead, from lead to supervisor and supervisor to site coordinator;
3. Provide 12 paid days vacation annually;
4. Pay a \$.15 hourly increase for every year of employment; and
5. Pay all payroll taxes associated with wage increases.

Providers have several options if they no longer have access to the wage supplements from DEL. Those could include one or a combination of the following:

1. Discontinue the benefits listed in 1-5 above;
2. Keep wages at current levels but hire new staff at an alternate wage scale; or
3. Reduce wages to levels that would reflect a reduction of all wage increments paid by the Department.

**Performance Measure Detail**

**Activity:**

**Incremental Changes**

No measures submitted for package

***Is this decision package essential to implement a strategy identified in the agency's strategic plan?***

No

***Does this decision package provide essential support to one of the Governor's priorities?***

No

***Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?***

No

***What are the other important connections or impacts related to this proposal?***

The current providers have received these wage supplements for approximately 8 years. Many have come to rely on these funds to hire and retain staff who may have higher levels of education than the typical entry-level child care provider.

***What alternatives were explored by the agency, and why was this alternative chosen?***

All of DEL state funded programs were reviewed for reduction or elimination. This reduction had the least impact on children, families and providers.

***What are the consequences of not funding this package?***

Some child care workers will see their salary and benefits reduced.

***What is the relationship, if any, to the state's capital budget?***

None

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

None

*Expenditure and revenue calculations and assumptions*

Goods and Services: -\$75,000 in FY12 and -\$75,000 in FY13.

Client Service Contracts: -\$1,425,000 in FY12 and -\$1,425,000 in FY13.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

These reductions are ongoing.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
E Goods And Services	(75,000)	(75,000)	(150,000)
N Grants, Benefits & Client Services	(1,425,000)	(1,425,000)	(2,850,000)
<b>Total Objects</b>	<b>(1,500,000)</b>	<b>(1,500,000)</b>	<b>(3,000,000)</b>

