



STATE OF WASHINGTON
DEPARTMENT OF EARLY LEARNING
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October 19, 2009

Victor Moore, Director
Washington State Office of Financial Management
P.O. Box 43113
Olympia, WA 98504-3113

Dear Mr. Moore,

Enclosed is the Department of Early Learning (DEL) 2010 supplemental budget.

Your September 23, 2009 memo required DEL present a reduction decision package totaling \$1,936,000 and a .2 FTE reduction. This was a difficult task for DEL, just as it was for all state agencies.

As you know DEL's budget is currently primarily federally funded. DEL has relatively few remaining state funded programs with the majority of those state funds (92%) supporting the Early Childhood Education and Assistance Program (ECEAP).

DEL proposes to eliminate state funding to the Career and Wage program, reduce state dollars to Child Care Resource and Referral (CCR&R) and finally, reduce administrative dollars and 100 child slots from the Early Childhood Education and Assistance Program (ECEAP) to meet the reduction.

Please don't hesitate to contact me with questions.

Sincerely,

Kate Verville
Chief Operating Officer

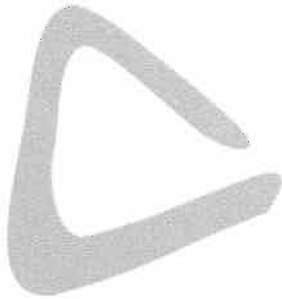
cc: Cherie Berthon, OFM
Debra Wilhelmi, DEL
John Rich, DEL





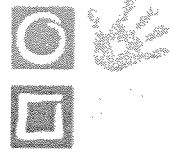
2010 Supplemental Budget Proposal

October 19, 2010



Washington State Department of
Early Learning





Washington State Department of

Early Learning

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Recommendation Summary

Agency: 357 Department of Early Learning

12:06:31 PM

10/19/2009

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
2009-11 Current Biennium Total				
Total Carry Forward Level				
Percent Change from Current Biennium				
Carry Forward plus Workload Changes				
Percent Change from Current Biennium				
Total Maintenance Level				
Percent Change from Current Biennium				
PL EB Career and Wage Reduction		(750)		(750)
PL EC ECEAP Reduction	(0.5)	(761)		(761)
PL FA Federal Funding Adjustment			3,940	3,940
PL RR Resource and Referral Reduction		(425)		(425)
PL TC ECEAP Technical Correction				
Subtotal - Performance Level Changes	(0.5)	(1,936)	3,940	2,004
2009-11 Total Proposed Budget	(0.5)	(1,936)	3,940	2,004
Percent Change from Current Biennium				

Recommendation Summary

Agency: 357

12:06:31PM

10/19/2009

Dollars in Thousands

Annual Average
FTEs

General
Fund State

Other Funds

Total Funds

PL EB Career and Wage Reduction

The State of Washington revenues continue to decline, requiring agencies put forward possible reductions. This reduction eliminates the general fund state funds for the Career and Wage Ladder Program in fiscal year 2011. The federal American Recovery and Reinvestment Act (ARRA) funds of \$750,000 would continue.

PL EC ECEAP Reduction

The State of Washington revenues continue to decline, requiring agencies put forward possible budget reductions. Ninety-two percent of the Department of Early Learning's state general funds are provisoed for the Early Childhood Education and Assistance Program (ECEAP). Other general fund programs have been reduced in previous budget reductions or are proposed to be reduced in combination with this package; therefore, the Department of Early Learning (DEL) proposes a \$761,000 reduction be in the ECEAP program.

PL FA Federal Funding Adjustment

The purpose of this decision package is to increase agency federal spending authority to match the Child Care and Development Fund (CCDF) grant award.

PL RR Resource and Referral Reduction

The State of Washington revenues continue to decline, requiring agencies put forward possible budget reductions. This reduction eliminates the proviso general fund state funds for Child Care Resource and Referral in fiscal year 2011. The federal American Recovery and Reinvestment Act (ARRA) funds of \$425,000 would continue as would the Department's other general fund federal funding.

PL TC ECEAP Technical Correction

The Early Childhood Education and Assistance Program (ECEAP) budget bill proviso amount was \$818,000 too high in fiscal years 2010 and 2011 (appropriations 031 and 032). An offsetting error was made too low in state general fund (appropriations 011 and 012). These offsetting errors were discovered after the budget was adopted by the Legislature.

The purpose of this decision package is to correct the offsetting entries.

State of Washington

Summarized Revenue by Account and Source

Budget Period: 2009-11
 Dollars in thousands
 357 - Department of Early Learning
 Agency Level
 1S - 2010 Supplemental Budget
 Supporting Text Excluded

10/19/2009
 11:18AM

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2010	FY2011	FY2010	FY2011	FY2010	FY2011	
001 - General Fund							
FA - Federal Funding Adjustment			1,970	1,970			
Total - 0393 - Health & Human Svc - F			1,970	1,970	1,970	1,970	3,940
001 - General Fund - Federal			1,970	1,970	1,970	1,970	3,940
Total - 001 - General Fund			1,970	1,970	1,970	1,970	3,940
357 - Department of Early Learning - Federal			1,970	1,970	1,970	1,970	3,940
Total - 357 - Department of Early Learning			1,970	1,970	1,970	1,970	3,940



Agency: **357 Department of Early Learning**
 Decision Package Code/Title: **TC ECEAP Technical Correction**

Budget Period: **2009-11**
 Budget Level: **PL - Performance Level**

Recommendation Summary Text:

The Early Childhood Education and Assistance Program (ECEAP) budget bill proviso amount was \$818,000 too high in fiscal years 2010 and 2011 (appropriations 031 and 032). An offsetting error was made too low in state general fund (appropriations 011 and 012). These offsetting errors were discovered after the budget was adopted by the Legislature.

The purpose of this decision package is to correct the offsetting entries.

Fiscal Detail

Operating Expenditures

Total

Total Cost

Package Description:

The Early Childhood Education and Assistance Program (ECEAP) budget bill proviso amount was \$818,000 too high in fiscal years 2010 and 2011 (appropriations 031 and 032). An offsetting error was made too low in state general fund (appropriations 011 and 012). These offsetting errors were discovered after the budget was adopted by the Legislature.

The purpose of this decision package is to correct the offsetting entries.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Not applicable

Performance Measure Detail

Agency: 357 Department of Early Learning

Decision Package Code/Title: TC ECEAP Technical Correction

Activity:

Incremental Changes

No measures submitted for package

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

Not applicable

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

This decision package is critical to correct the error made in the agency budget.

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

Not applicable

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

Not applicable.

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

None.

What are the consequences of not funding this package?

The agency would be overspent in general fund state expenditures and underspent in the ECEAP program.

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?

No changes are required to statutes, rules, or contracts.

Expenditure and revenue calculations and assumptions

None.

Agency: 357 Department of Early Learning

Decision Package Code/Title: TC ECEAP Technical Correction

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

This is on-going.



Agency: **357 Department of Early Learning**
 Decision Package Code/Title: **FA Federal Funding Adjustment**

Budget Period: **2009-11**
 Budget Level: **PL - Performance Level**

Recommendation Summary Text:

The purpose of this decision package is to increase agency federal spending authority to match the Child Care and Development Fund (CCDF) grant award.

Fiscal Detail

Operating Expenditures	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
001-2 General Fund - Basic Account-Federal	1,970,000	1,970,000	3,940,000
Total Cost	1,970,000	1,970,000	3,940,000

Revenue

<u>Fund</u>	<u>Source</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
001 General Fund	0393 Health & Human Svc	1,970,000	1,970,000	3,940,000
Total Revenue		1,970,000	1,970,000	3,940,000

Package Description:

Increase the federal authority to match the grant award.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Not applicable.

Performance Measure Detail

Activity:

Incremental Changes

Agency: 357 Department of Early Learning
Decision Package Code/Title: FA Federal Funding Adjustment

No measures submitted for package

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

This decision package brings in-line the state spending authority to the federal grant award level. The bulk of the CCDF funding is used for child care subsidies and the remainder is used for child care facilities licensing and monitoring and quality activities.

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

The Governor's Priority is: Improve the security of Washington's vulnerable children and adults.

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

This decision package is a key contributor to the statewide result.

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

Subsidies for children are authorized and paid by the Department of Social and Health Services (DSHS). DEL needs to have adequate spending authority to reimburse DSHS.

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

There are no alternatives.

What are the consequences of not funding this package?

The state would have to reduce the amount of child care subsidies paid out.

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?

No statutes, rules or contracts would require changes.

Expenditure and revenue calculations and assumptions

Based on the federal award.

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

State of Washington
Decision Package

FINAL

Agency: **357 Department of Early Learning**

Decision Package Code/Title: **FA Federal Funding Adjustment**

These are on-going revenues and expenditures.

<u>Object Detail</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
E Goods And Services	170,000	170,000	340,000
N Grants, Benefits & Client Services	1,800,000	1,800,000	3,600,000
Total Objects	1,970,000	1,970,000	3,940,000



Agency: **357 Department of Early Learning**

Decision Package Code/Title: **EB Career and Wage Reduction**

Budget Period: **2009-11**

Budget Level: **PL - Performance Level**

Recommendation Summary Text:

The State of Washington revenues continue to decline, requiring agencies put forward possible reductions. This reduction eliminates the general fund state funds for the Career and Wage Ladder Program in fiscal year 2011. The federal American Recovery and Reinvestment Act (ARRA) funds of \$750,000 would continue.

Fiscal Detail

Operating Expenditures	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
001-1 General Fund - Basic Account-State		(750,000)	(750,000)
Total Cost		(750,000)	(750,000)

Package Description:

The Career and Wage Ladder Program provides wage increments for levels of education, years of employment, and levels of work responsibility, relevant early childhood education credits, and other training.

The budget proposal eliminates the \$750,000 general state funds in fiscal year 2011 to achieve the necessary overall reduction.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

None.

Performance Measure Detail

Activity:

Incremental Changes

Agency: 357 Department of Early Learning
Decision Package Code/Title: EB Career and Wage Reduction

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?

The governor's priority is improve student achievement in elementary, middle and high schools.

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

This decision package does not make key contributions to a statewide result.

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

None.

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

DEL looked at all of its programs for reductions. Most of its state general funded programs have already been eliminated or reduced which necessitated this reduction.

What are the consequences of not funding this package?

The wage incentives would continue at current finding levels.

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?

No changes required.

Expenditure and revenue calculations and assumptions

This eliminates the state funds of \$750,000 for Career and Wage in the second year, 2011. Federal ARRA funds would continue.

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

This could be permanent or temporary.

State of Washington
Decision Package

FINAL

Agency: **357 Department of Early Learning**

Decision Package Code/Title: **EB Career and Wage Reduction**

<u>Object Detail</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
E Goods And Services		(75,000)	(75,000)
N Grants, Benefits & Client Services		(675,000)	(675,000)
Total Objects		(750,000)	(750,000)



Agency: **357 Department of Early Learning**
 Decision Package Code/Title: **RR Resource and Referral Reduction**

Budget Period: **2009-11**
 Budget Level: **PL - Performance Level**

Recommendation Summary Text:

The State of Washington revenues continue to decline, requiring agencies put forward possible budget reductions. This reduction eliminates the proviso general fund state funds for Child Care Resource and Referral in fiscal year 2011. The federal American Recovery and Reinvestment Act (ARRA) funds of \$425,000 would continue as would the Department's other general fund federal funding.

Fiscal Detail

Operating Expenditures	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
001-1 General Fund - Basic Account-State		(425,000)	(425,000)
Total Cost		(425,000)	(425,000)

Package Description:

The statewide Child Care Resource and Referral Network (CCR&R) provide resource development, technical assistance and training to providers and parent information and training. This reduction eliminates the proviso general fund state funds for Child Care Resource and Referral in fiscal year 2011.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The decision package will reduce the hours of consultation available to licensed providers.

Performance Measure Detail

Activity:

Incremental Changes

Agency: 357 Department of Early Learning

Decision Package Code/Title: RR Resource and Referral Reduction

No measures submitted for package

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

The reduction is not essential to the implementation of the agencies strategic plan.

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

CCR&R is part of the Governor's priority: Improve student achievement in elementary, middle and high schools.

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

This decision package does not make key contributions to a statewide result.

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

Not applicable.

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

DEL looked at all of its programs for reductions. Most of its state general funded programs have already been eliminated or reduced which necessitated this reduction.

What are the consequences of not funding this package?

Not applicable.

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

This would eliminate the state funds of \$425,000 for Child Care Resource and Referral in the second year, 2011. Federal and ARRA funding would continue.

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

This would be an ongoing reduction.

Agency: **357 Department of Early Learning**

Decision Package Code/Title: **RR Resource and Referral Reduction**

<u>Object Detail</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
C Personal Service Contracts		(382,500)	(382,500)
E Goods And Services		(42,500)	(42,500)
Total Objects		(425,000)	(425,000)



Agency: **357 Department of Early Learning**
 Decision Package Code/Title: **EC ECEAP Reduction**

Budget Period: **2009-11**
 Budget Level: **PL - Performance Level**

Recommendation Summary Text:

The State of Washington revenues continue to decline, requiring agencies put forward possible budget reductions. Ninety-two percent of the Department of Early Learning's state general funds are provided for the Early Childhood Education and Assistance Program (ECEAP). Other general fund programs have been reduced in previous budget reductions or are proposed to be reduced in combination with this package; therefore, the Department of Early Learning (DEL) proposes a \$761,000 reduction be in the ECEAP program.

Fiscal Detail

Operating Expenditures	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
001-1 General Fund - Basic Account-State		(761,000)	(761,000)
Total Cost		(761,000)	(761,000)
 Staffing	 <u>FY 2010</u>	 <u>FY 2011</u>	 <u>Annual Average</u>
FTEs	.0	-1.0	-5

Package Description:

The decision package proposes to reduce the ECEAP program by \$761,000 in state fiscal year 2011. ECEAP is Washington's pre-kindergarten program for low income three and four year old children and their families. To promote school success, ECEAP provides preschool education, family support, and health and nutrition services. The average cost for an ECEAP slot is \$6,662 per year. In order to make every effort to preserve program services for four year olds and for families with the highest poverty, the budget reduction would include a 10% reduction in staffing plus other administrative costs (\$94,800) and a cut just over 1% (\$666,200) in program costs resulting in the reduction of approximately 100 child slots for the state fiscal year 2011. The funding for state fiscal year 2010 is already contracted with providers, and children are enrolled for the school year, so the full reduction would be taken in the second year.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This will reduce the number of low income and at risk three and four year old children and their families receiving school readiness services from the ECEAP, and reduce administrative oversight.

Agency: 357 Department of Early Learning

Decision Package Code/Title: EC ECEAP Reduction

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, this reduction is not essential to implementing a strategy identified in the agency's strategic plan.

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

The ECEAP is part of the Governor's priority: Improve student achievement in elementary, middle and high schools.

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

This decision package does not make key contributions to a statewide result.

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

The ECEAP program provides preschool education, family support, health, and nutrition services to the state's poorest 3 and 4 year old children. Two thirds of ECEAP families are at or below 80% of federal poverty guidelines. The average cost for an ECEAP slot is \$6,662 per year, resulting in a reduction of approximately 100 slots for the state fiscal year 2011. Dollars spent on the ECEAP leverage federal Temporary Assistance for Needy Families (TANF) dollars and federal Child Care and Development Fund (CCDF) dollars. A reduction to ECEAP may reduce the dollars available as maintenance of effort match for TANF program.

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

DEL looked at all of its programs for reductions. Unfortunately, the state funded programs were reduced in previous reductions or are also proposed for reduction or elimination. The magnitude of this reduction necessitates the remaining reduction be from the ECEAP program. DEL made significant reductions already in staffing and administrative costs at the beginning of this biennium and proposes another 11% reduction here. Therefore, the remaining reduction must come from the program.

What are the consequences of not funding this package?

Not applicable.

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

None.

State of Washington
Decision Package

FINAL

Agency: **357 Department of Early Learning**

Decision Package Code/Title: **EC ECEAP Reduction**

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

No changes are required to existing statutes, rules, or contracts.

Expenditure and revenue calculations and assumptions

The ECEAP program funds comprehensive prekindergarten services for low income and at risk three and four year olds and their families. The providers are funded at an average of \$6,662 per slot per year. Fiscal year 2010 funds are under contract with providers and children are already enrolled for the school year. This reduction is for fiscal year 2011.

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

On-going costs.

<u>Object Detail</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
A Salaries And Wages		(64,800)	(64,800)
B Employee Benefits		(17,800)	(17,800)
E Goods And Services		(12,200)	(12,200)
N Grants, Benefits & Client Services		(666,200)	(666,200)
Total Objects		(761,000)	(761,000)

