

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** 8D Budget Structure Changes  
**Budget Period:** 2015-17  
**Budget Level:** M2 - Inflation and Other Rate Changes

### **Recommendation Summary Text:**

This decision package makes technical adjustments to reflect a program structure change. The Department of Early Learning moves The Early Childhood Education and Assistance Program (ECEAP) in the Department of Early Learning (DEL) will move to a new program in Biennium 2015-17.

### **Fiscal Detail**

**Operating Expenditures**

**Total**

**Total Cost**

### **Package Description:**

In the Summer of 2014, DEL received approval from the Legislative Evaluation and Accountability Program (LEAP) Committee to move ECEAP from DEL program 030 Partnerships and Collaboration - its program for Biennium 2013-15 - into program 020 Outcomes and Accountability beginning in Biennium 2015-17. This decision package makes the necessary technical corrections associated to this program structure change.

### **Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

None.

### **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 DP provide essential support to one or more of the Governor's Results Washington priorities?***

No.

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

Moving ECEAP reflects the integration of ECEAP into the Early Achievers/continuous quality improvement framework within the Outcomes and Accountability program, which includes professional development, coaching and the use of common tools for measuring early learning quality and the use of data to drive system improvement.

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

None.

***What are the consequences of adopting or not adopting this package?***

This is a technical correction only.

***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 decision package moves the following dollars and FTE:

To program 020 Outcomes and Accountability:

FY16: \$19,603,570 GF-S and \$40,000,000 Opportunity Pathways Account (fund 17F), and associated objects of expenditure.

FY17: \$35,785,926 GF-S and \$40,000,000 Opportunity Pathways Account, and associated objects.

FY16 FTE: 14.1

FY17 FTE: 14.8

From program 030 Partnerships and Collaboration:

FY16: (\$19,603,570) GF-S and (\$40,000,000) Opportunity Pathways Account, and associated objects.

FY17: (\$35,785,926) GF-S and (\$40,000,000) Opportunity Pathways Account, and associated objects.

FY16 FTE: (14.1)

FY17 FTE: (14.8)

All of the above changes net to \$0 and 0 FTE.

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

The program structure change is ongoing.

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** 9F Federal Funding Adjustment  
**Budget Period:** 2015-17  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Department of Early Learning (DEL) needs additional federal expenditure authority for Biennium 2015-17 due to anticipated higher federal award levels and federal award carryover from the current Biennium. This request is for \$16,838,000 in federal expenditure authority and \$9,500 for required state match on one federal programs.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	4,750	4,750	9,500
001-2 General Fund - Basic Account-Federal	8,547,000	2,847,000	11,394,000
17B-2 Home Visiting Services Account-Federal	2,722,000	2,722,000	5,444,000
<b>Total Cost</b>	<b>11,273,750</b>	<b>5,573,750</b>	<b>16,847,500</b>

**Revenue**

<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001 General Fund	0384 Dept of Education	6,967,000	1,667,000	8,634,000
001 General Fund	0393 Health & Human Svc	1,580,000	1,180,000	2,760,000
17BHome Visiting Servic	0393 Health & Human Svc	2,722,000	2,722,000	5,444,000
<b>Total Revenue</b>		<b>11,269,000</b>	<b>5,569,000</b>	<b>16,838,000</b>

**Package Description:**

DEL requires \$16,838,000 additional federal expenditure authority for Biennium 2015-17 to meet estimated federal program requirements, as follows:

Federal Authority:

- Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV) \$5,444,000
- Special Education-Grants for Infants and Families (DEL Early Support for Infants and Toddlers program - ESIT) \$1,334,000
- Race To The Top (RTT) \$7,300,000
- Child Care and Development Fund (CCDF) \$2,200,000
- Community-Based Child Abuse Prevention (CBCAP) \$522,000
- Head Start State Collaboration (HSSC) \$38,000

General Fund State Authority: \$9,500 required match for the increase to Head Start.

## **Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

None.

### **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?*

Yes, the request supports agency strategic plan goal 4: Promote system excellence by ensuring DEL is well-managed, because these maintenance level increases are necessary for proper financial management of these DEL federal programs.

*Does this DP provide essential support to one or more of the Governor's Results Washington priorities?*

Yes, this supports the Governor's priority for efficient, effective and accountable government, because the maintenance level increase is necessary to effectively carry out and be financially accountable for these federal programs.

*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?*

None.

*What are the consequences of adopting or not adopting this package?*

DEL would have insufficient federal expenditure authority to fully execute these federal programs.

*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*

Client Service Contracts: \$11,273,750 in FY16 and \$5,573,750 in FY17 for a total of \$16,847,500

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

This request is ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
N Grants, Benefits & Client Services	11,273,750	5,573,750	16,847,500

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** 90 Maintenance Level Revenue  
**Budget Period:** 2015-17  
**Budget Level:** M1 - Mandatory Caseload and Enrollment Changes

**Recommendation Summary Text:**

Maintenance Level Revenue

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>Total</u></b>
<b>Total Cost</b>	

**Revenue**

<u>Fund</u>	<u>Source</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001 General Fund	0384 Dept of Education	13,520,523	12,832,531	26,353,054
001 General Fund	0393 Health & Human Svc	123,639,477	124,037,469	247,676,946
17BHome Visiting Servic	0393 Health & Human Svc	8,667,000	11,114,000	19,781,000
<b>Total Revenue</b>		<b>145,827,000</b>	<b>147,984,000</b>	<b>293,811,000</b>

**Package Description:**

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

**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?*

*Does this DP provide essential support to one or more of the Governor's Results Washington priorities?*

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

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

*What are the consequences of adopting or not adopting this package?*

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

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

*Expenditure and revenue calculations and assumptions*

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

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** DE Debt Service Adjustment  
**Budget Period:** 2015-17  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Department of Early Learning (DEL) requests a decrease in Fiscal Year 2016 carry forward debt service funding of (\$285,844) and an increase of \$222,227 in Fiscal Year 2017, for a net decrease (savings) of (\$63,617) in 2015-17, to pay anticipated debt service costs for the Attendance, Billing and Childcare Subsidy (ABCS) project (formally the TABS Project).

Funding for this project was approved by the Legislature in 2011 and was based upon research by DEL of similar systems in place in other states. A vendor for software development to replace the Working Connections Authorization Program (WCAP) has been hired through the Department of Enterprise Services (DES) competitive bidding process and software development is underway. WCAP will be replaced with the Authorization Interface (AI) on the Early Learning Management System (ELMS) at DEL.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	(285,844)	222,227	(63,617)
<b>Total Cost</b>	<b>(285,844)</b>	<b>222,227</b>	<b>(63,617)</b>

**Package Description:**

\$3,315,000 in Certificates of Participation (COPs) are authorized in the current budget for the Attendance, Billing and Childcare Subsidy (ABCS) project (formally the TABS Project). Additionally, \$1,078,000 is currently in DEL's 2015-17 Carry Forward budget for debt service. Based on current and projected COP eligible expenditures, the Office of the State Treasurer (OST) recommends sale of the entire \$3,315,000 in authorized COPs in the next sale in March of 2015. On September 5 2014, the Office of State Treasurer (OST) ran a payment estimate based on a 7 year term, which resulted in an overall decrease of approximately \$51,093 in projected debt service costs for Fiscal Year 2015 and the 2015-17 biennia combined (see below). An adjustment for FY2015 will also be requested for in 2015-17the 2015 supplemental budget, which will be submitted in a separate DP..

FY16: New projection 507,156 less 793,000 carry forward level = (285,844) adjustment needed.  
 FY17: New projection 507,227 less 285,000 carry forward level = 222,227 adjustment needed.  
 Biennium 2015-17 combined: New projection 1,014,383 less 1,078,000 carry forward level = 63,617(63,617).

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

Debt service payment.

**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?*

Yes. Supports Goal #1, Provide voluntary, high-quality early learning information and opportunities for children and families of Washington.

*Does this DP provide essential support to one or more of the Governor's Results Washington priorities?*

Yes, World Class Education.

*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?*

None.

*What are the consequences of adopting or not adopting this package?*

DEL would have too much money in its budget for debt service requirements.

*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***

FY16 - decrease of debt service funding of (\$285,844).

FY17 - increase of debt service funding of \$222,227.

Net decrease (savings) of (\$63,617) in Biennium 2015-17.

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

None of these costs are ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
P Debt Service	(285,844)	222,227	(63,617)

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** A0 Eliminate ELAC Compensation  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

This required reduction package eliminates funding to support the Early Learning Advisory Council (ELAC).

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	(12,795)	(18,240)	(31,035)
<b>Total Cost</b>	<b>(12,795)</b>	<b>(18,240)</b>	<b>(31,035)</b>

**Package Description:**

For the 2015-17 biennial budget, OFM requested that the Department of Early Learning re-base state program budgets to a level below the Maintenance Level budget request for programs not protected from reduction by either state constitutional provisions or by federal law. DEL is required to identify, describe and prioritize budget reductions equal to 15 percent of unprotected Near-General Fund Maintenance Level budgets. This decision package is the first of six reduction packages to achieve an overall reduction of \$25,756,332.

For our first reduction package, we propose eliminating \$31,035 in funding supporting the Early Learning Advisory Council (ELAC). This funding supports the staff support to ELAC. ELAC members per RCW 43.03.240, 43.03.050, and 43.03.060. ELAC was created by the Legislature in 2007. Per RCW 43.215.090, ELAC membership cannot exceed 23 members and includes members of the Legislature, representatives from OFM, DEL, DSHS and other specified state agencies, and members from federally recognized tribes, local government, and community based organizations, and other specified representatives. ELAC representatives from around the state meet regularly to provide input and recommendations to the Department of Early Learning (DEL), so our strategies and actions are well-informed and broadly supported by parents, child care providers, health/safety experts and interested members of the public.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

None.

## **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?***

The work of ELAC supports DEL's strategic plan goal #1 - Provide voluntary, high-quality early learning information and opportunities for children and families of Washington, and goal #3 - Build public awareness of and support for high-quality early learning opportunities.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

This package would negatively impact the Governor's World Class Education, Healthy and Safe Communities, and Efficient, Effective and Accountable Government Results Washington Priorities. ELAC provides important input and recommendations to DEL, so our strategies and actions are well-informed and broadly supported by parents, child care providers, health/safety experts and interested members of the public.

### ***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?***

All activities funded with General and Near-General Fund dollars were scrutinized prior to putting forth this proposal.

### ***What are the consequences of adopting or not adopting this package?***

Members of ELAC that are located throughout the State of Washington would not be reimbursed for their time and travel expenses per RCW 43.215.090(8). Is it likely that less ELAC members would attend meetings, degrading the overall effectiveness of ELAC.

### ***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?***

Compensation and travel reimbursement requirements specified in RCW 43.215.090(8) would need to be eliminated.

### ***Expenditure and revenue calculations and assumptions***

(12,795) in FY16 and (18,240) in FY17 comprised of:

Goods and Services: (6,397) in FY16 and (9,120) in FY17.

Travel: (6,398) in FY16 and (9,120) in FY17.

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

DEL assumes that the reduction would be ongoing.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
E Goods\Other Services	(6,397)	(9,120)	(15,517)
G Travel	(6,398)	(9,120)	(15,518)
<b>Total Objects</b>	<b>(12,795)</b>	<b>(18,240)</b>	<b>(31,035)</b>

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** A1 Eliminate Culturally Relevant Svcs  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

This decision package eliminates \$400,000 in funding for culturally relevant services supporting Family, Friend and Neighbor (FFN) service providers. The Department of Early Learning (DEL) contracts with Child Care Aware (CCA) of Washington, a non-profit organization to provide these services statewide. CCA partners with regional community entities such as local coalitions, Early Learning Coalitions (ELC), libraries, senior agencies, cultural organizations, workplace settings and recreational entities for the purpose of identifying and engaging FFN caregivers and families. CCA also provides direct education and materials to parents and FFN caregivers with the funding they receive. These funds help FFN providers learn about and provide quality care for children under their care. The biennial budget of \$400,000 is contracted for \$200,000 each fiscal year which is divided between the CCA seven child care resource and referral regions. As providers who are exempt from licensing, these are the only resources that are made available to this particular group.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	(200,000)	(200,000)	(400,000)
<b>Total Cost</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>(400,000)</b>

**Package Description:**

For the 2015-17 biennial budget, OFM requested that the Department of Early Learning (DEL) re-base state program budgets to a level below the Maintenance Level budget request for programs not protected from reduction by either state constitutional provisions or by federal law. DEL is required to identify, describe and prioritize budget reductions equal to 15 percent of unprotected Near-General Fund Maintenance Level budgets. This decision package is the second of six reduction packages to achieve an overall reduction of \$25,756,332.

For our second reduction package, we propose eliminating \$400,000 funding for culturally relevant services supporting Family, Friend and Neighbor (FFN) service providers. DEL contracts with Child Care Aware (CCA) of Washington, a non-profit organization to provide these services statewide. CCA is a community resource for quality child care and early learning programs throughout the state.

CCA is directed in the contract to support culturally relevant services by partnering with regional community entities such as local coalitions, Early Learning Coalitions (ELC), libraries, senior agencies, cultural organizations, workplace settings and recreational entities for the purpose of identifying and engaging FFN caregivers and families. CCA also provides direct education and materials to parents and FFN caregivers with the funding they receive. These funds help FFN providers learn about and provide quality care for

children in their care. The biennial budget of \$400,000 is contracted for \$200,000 each fiscal year which is divided between the CCA seven child care resource and referral regions. As providers who are exempt from licensing, these are the only resources that are made available to this particular group.

## **Narrative Justification and Impact Statement**

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

None from this proposed 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?***

Funding that supports culturally relevant services supports DEL's strategic plan goal #1 - Provide voluntary, high-quality early learning information and opportunities for children and families of Washington, and goal #3 - Build public awareness of and support for high-quality early learning opportunities.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

This funding is essential achieving Goal 1: World-Class Education, which states that every child deserves a world-class education that prepares him or her for a healthy, productive life. We've developed preliminary outcomes measures that focus on increasing access to education to provide every student with 21st century skills to succeed in school, job, career and in their communities.

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

FFN providers may be eligible to receive Working Connections Child Care subsidies for children they care for. Without resources provided to them through culturally relevant FFN funding, some FFN providers may be receiving state subsidy funds for care that isn't of high-quality.

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

All activities funded with General and Near-General Fund dollars were scrutinized, prior to putting forth this proposal.

### ***What are the consequences of adopting or not adopting this package?***

Family, Friend and Neighbor (FFN) service providers would lose access to culturally relevant services. These funds help FFN providers learn about and provide quality care for children under their care. As providers who are exempt from licensing, these are the only resources that are made available to this particular group.

### ***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?***

Contract amendments would be needed.

***Expenditure and revenue calculations and assumptions***

Grants, Benefits and Client Service Contracts: (200,000) in each of fiscal years 2016 and 2017, for a total of (400,000) in 2015-17.

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

DEL assumes that the reduction would be ongoing.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
N Grants, Benefits & Client Services	(200,000)	(200,000)	(400,000)

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** A2 Elim Child Care Resource & Referral  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

This decision package eliminates \$1,276,000 in funding for child care resource and referral services. The Department of Early Learning (DEL) contracts with Child Care Aware (CCA) of Washington, a non-profit organization to provide these services statewide through their Child Care Aware of Washington Family Center. The Family Center is a statewide child care licensing data bank and toll-free Consumer Education Hotline and online referral system, for parents and families to find childcare in their area. It also includes a staff that provides written referrals, community awareness and disseminates packets of information on finding high-quality child care, and other DEL literature.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	(638,000)	(638,000)	(1,276,000)
<b>Total Cost</b>	<b>(638,000)</b>	<b>(638,000)</b>	<b>(1,276,000)</b>

**Package Description:**

For the 2015-17 biennial budget, OFM requested that the Department of Early Learning (DEL) re-base state program budgets to a level below the Maintenance Level budget request for programs not protected from reduction by either state constitutional provisions or by federal law. DEL is required to identify, describe and prioritize budget reductions equal to 15 percent of unprotected Near-General Fund Maintenance Level budgets. This decision package is the third of six reduction packages to achieve an overall reduction of \$25,756,332.

For our third reduction package, we propose reducing \$1,276,000 in funding for child care resource and referral services. The Department of Early Learning (DEL) contracts with Child Care Aware (CCA) of Washington, a non-profit organization to provide these services statewide through their Child Care Aware of Washington Family Center. The Family Center is a statewide child care licensing data bank and toll-free Consumer Education Hotline and online referral system, for parents and families to find childcare in their area. It also includes a staff team that provides written referrals, community awareness and disseminates packets of information on finding high-quality child care, educating families and the public about Early Achievers and other DEL literature. The biennial budget of \$1,276,000 is contracted at \$638,000 each fiscal year.

There presently isn't another resource other than the Family Center for parents and families to identify and locate child care that meets individualized and specific needs. The Family Center provides parents and families information to help them understand the different types of child care available and what to consider when trying to find a program suitable for their family. CCA provides referrals to

specific child care programs, information about financial assistance and ways for families to identify quality child care, to include things like second language, special needs, location and operating hours, and if the facility serves child of the correct age.

## **Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

None from this proposed 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?*

Funding that supports child care resource and referral services supports DEL's strategic plan goal #1 - Provide voluntary, high-quality early learning information and opportunities for children and families of Washington, and goal #3 - Build public awareness of and support for high-quality early learning opportunities.

*Does this DP provide essential support to one or more of the Governor's Results Washington priorities?*

This funding is essential achieving Goal 1: World-Class Education, which states that every child deserves a world-class education that prepares him or her for a healthy, productive life. We've developed preliminary outcomes measures that focus on increasing access to education to provide every student with 21st century skills to succeed in school, job, career and in their communities.

*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?*

All activities funded with General and Near-General Fund dollars were scrutinized, prior to putting forth this proposal.

*What are the consequences of adopting or not adopting this package?*

The ability of Child Care Aware (CCA) of Washington, a non-profit organization, to provide these services statewide though their Child Care Aware of Washington Family Center would be seriously degraded, or might be eliminated altogether. There presently isn't another resource other than the Family Center for parents and families to identify and locate child care that meets their specific needs. Additionally, the Family Center is a key strategy to increase public awareness and use of the Early Achievers system for families. Eliminating funding will significantly reduce family awareness and use of the Early Achievers system. The Family Center provides parents and families information to help them understand the different types of child care available and what to consider when trying to find a program suitable for their family. CCA provides referrals to specific child care programs, information about financial assistance and ways for families to identify quality child care, to include things like second language, special needs, location and operating hours, and if the facility serves child of the correct age. DEL would likely be flooded with calls and information requests that we do not have capacity to respond to.

*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?***

Revisions would need to be made to RCW 43.215.545. Contract amendments would be needed.

***Expenditure and revenue calculations and assumptions***

Grants, Benefits and Client Service Contracts: (638,000) in each of fiscal years 2016 and 2017, for a total of (1,276,000) in 2015-17.

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

DEL assumes that the reduction would be ongoing.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
N Grants, Benefits & Client Services	(638,000)	(638,000)	(1,276,000)

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** A3 Eliminate Reach Out and Read Prog  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

This decision package eliminates \$300,000 in state funding supporting the Reach Out and Read Program (ROR). These monies fund a contract with ROR, an evidence-based nonprofit organization of medical providers who promote early literacy and school readiness in pediatric exam rooms nationwide by giving new books to children and advice to parents about the importance of reading aloud.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	(150,000)	(150,000)	(300,000)
<b>Total Cost</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>(300,000)</b>

**Package Description:**

For the 2015-17 biennial budget, OFM requested that the Department of Early Learning (DEL) re-base state program budgets to a level below the Maintenance Level budget request for programs not protected from reduction by either state constitutional provisions or by federal law. DEL is required to identify, describe and prioritize budget reductions equal to 15 percent of unprotected Near-General Fund Maintenance Level budgets. This decision package is the fourth of six reduction packages to achieve an overall reduction of \$25,756,332.

For our fourth reduction package, we propose eliminating \$300,000 in state funding supporting the Reach Out and Read Program (ROR). These monies fund a contract with ROR, an evidence-based nonprofit organization of medical providers who promote early literacy and school readiness in pediatric exam rooms nationwide by giving new books to children and advice to parents about the importance of reading aloud.

This funding supports a statewide system that delivers: (1) Children's books that doctors use to assess child development and parent child-interactions, model and teach literacy promotion activities for parents and provide books to families to take home and read together; (2) Professional Development for medical providers and practices to support implementation; (3) Monitoring, Evaluation, and Technical Assistance to assure a network of clinics that deliver high quality programs that are both widely accessible and implemented with fidelity to the proven model, and; (4) Alignment and Connection to the P-3 (preschool- third grade) system at the community and state levels, with doctors and the health care system supporting parents as first teachers as they enter into the early learning system.

A reduction of \$300,000 will reduce services to approximately 18,000 children. The delivery of this system only requires a total

investment of approximately \$17 per child per year (fully loaded costs). Medical providers and practices contribute their services to deliver the program to families, thereby immediately leveraging an estimate \$8 in services donated for each \$1 invested in the system.

## **Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

None from this proposed 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?*

The work of ROAR supports DEL's strategic plan goal #1 - Provide voluntary, high-quality early learning information and opportunities for children and families of Washington, and goal #3 - Build public awareness of and support for high-quality early learning opportunities.

*Does this DP provide essential support to one or more of the Governor's Results Washington priorities?*

ROR is essential to achieving Goal 1: World-Class Education, which states that every child deserves a world-class education that prepares him or her for a healthy, productive life. We've developed preliminary outcomes measures that focus on increasing access to education to provide every student with 21st century skills to succeed in school, job, career and in their communities.

*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?*

All activities funded with General and Near-General Fund dollars were scrutinized, prior to putting forth this proposal.

*What are the consequences of adopting or not adopting this package?*

A reduction of \$300,000 will reduce services to approximately 18,000 children and a loss of significant in kind services. The system only requires a total investment of approximately \$17 per child per year (fully loaded costs). Medical providers and practices contribute their services to deliver the program to families, thereby immediately leveraging an estimate \$8 in services donated for each \$1 invested in the system (the statistics in this paragraph were provided by ROAR).

*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***

Professional Service Contracts: (150,000) in each of fiscal years 2016 and 2017, for a total of (300,000) in 2015-17.

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

The reduction is assumed to be ongoing.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
C Professional Svc Contracts	(150,000)	(150,000)	(300,000)

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** A4 Eliminate Seasonal Child Care GF-S  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

This decision package eliminates \$2,893,600 in state funding supporting the Seasonal Child Care (SCC) Subsidy Program. The SCC subsidy program helps eligible seasonal workers who cultivate, harvest or process crops in Washington pay for temporary child care.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	(1,176,600)	(1,717,000)	(2,893,600)
<b>Total Cost</b>	<b>(1,176,600)</b>	<b>(1,717,000)</b>	<b>(2,893,600)</b>

**Package Description:**

For the 2015-17 biennial budget, OFM requested that the Department of Early Learning re-base state program budgets to a level below the Maintenance Level budget request for programs not protected from reduction by either state constitutional provisions or by federal law. DEL is required to identify, describe and prioritize budget reductions equal to 15 percent of unprotected Near-General Fund Maintenance Level budgets. This decision package is the fifth of six reduction packages to achieve an overall reduction of \$25,756,332.

For our fifth reduction package, we propose eliminating \$2,893,600 in state funding supporting the Seasonal Child Care (SCC) Subsidy Program. The SCC subsidy program helps eligible seasonal workers who cultivate, harvest or process crops in Washington pay for temporary child care. Eligible families must have income at or below 200 percent of the federal poverty level (FPL) and must live in the following counties: Adams, Benton, Chelan, Douglas, Franklin, Grant, Kittitas, Okanogan, Skagit, Walla Walla, Whatcom, or Yakima. Federal law requires that children who receive the federally funded subsidies legally reside in the United States. This requirement applies only to the child who receives the child care subsidy. The status of parents and other siblings is not considered when determining a child's eligibility.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

None.

## **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?***

The Seasonal Child Care (SCC) Subsidy Program supports goal #1 - Provide voluntary, high-quality early learning information and opportunities for children and families of Washington.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

This package would negatively impact the goal #1 - World Class Education, which state that every child deserves a world-class education that prepares him or her for a healthy, productive life. We've developed preliminary outcomes measures that focus on increasing access to education to provide every student with 21st century skills to succeed in school, job, career and in their communities.

### ***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?***

All activities funded with General and Near-General Fund dollars were scrutinized, prior to putting forth this proposal.

### ***What are the consequences of adopting or not adopting this package?***

The elimination of \$2,893,600 in funding would result in the elimination of child care services to 1,556 families and 3,501 children, per year. The establishment of a waiting list in the WCCC program may be necessary.

### ***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***

Grants, Benefits and Client Service Contracts: (\$1,176,000) in FY2016 and (\$1,717,000) in FY2017.

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

It is assumed that all cuts would be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
N Grants, Benefits & Client Services	(1,176,600)	(1,717,000)	(2,893,600)

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** A5 Eliminate 1,391 ECEAP Slots  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

This decision package eliminates \$20,855,697 in funding support for the Early Childhood Education and Assistance Program (ECEAP). ECEAP is Washington's pre-kindergarten program that prepares children from low income families for success in school and in life.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	(10,425,071)	(10,430,627)	(20,855,698)
<b>Total Cost</b>	<b>(10,425,071)</b>	<b>(10,430,627)</b>	<b>(20,855,698)</b>
<b>Staffing</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Annual Average</u></b>
FTEs	-3.0	-3.0	-3.0

**Package Description:**

For the 2015-17 biennial budget, OFM requested that the Department of Early Learning re-base state program budgets to a level below the Maintenance Level budget request for programs not protected from reduction by either state constitutional provisions or by federal law. DEL is required to identify, describe and prioritize budget reductions equal to 15 percent of unprotected Near-General Fund Maintenance Level budgets. This decision package is the sixth of six reduction packages to achieve an overall reduction of \$25,756,332

For our sixth reduction package, we propose eliminating \$20,855,697 in funding support for the Early Childhood Education and Assistance Program (ECEAP). 1,391 (approximate) part day slots are reduced for a savings of \$20,386,327 and 3.0 FTEs are eliminated for a savings of \$469,370.

Since 1985, ECEAP has focused on the well-being of the whole child by providing comprehensive nutrition, health, education and family support services. ECEAP reaches 3- and 4-year-old children most in need of these foundations for learning. The program design is aligned with the nationally researched programs that have shown exceptional returns on investment.

Children are eligible for ECEAP in their two years before kindergarten, if they are from families with annual income at or below 110 percent of federal poverty level (\$26,235 for a family of four), qualify for school district special education services, are in foster care or from a family receiving Child Protective Services (CPS) or Family Assessment Response (FAR) services, and/or have developmental or environmental risk factors that could affect school success.

There are more applicants for ECEAP than spaces. As of March 2014, there were 1,131 4-year-olds and 1,099 3-year-olds on the

ECEAP waiting list. Approximately 29,128 children in Washington were eligible for ECEAP and were not served by either ECEAP or the federal Head Start program.

ECEAP prioritizes enrollment of children who will be in kindergarten the following year, are in foster care, are homeless, are from families with lowest incomes, are from families receiving CPS or FAR services, and/or have multiple risk factors. 65% of children served by ECEAP are in families with incomes below 80% of federal poverty level (\$19,080 per year for a family of four), 35% speak a home language other than English, 10% are homeless, 9.6% are on an Individual Education Plan, 51% are behind in well-child medical exams, and 72% need to see a dentist.

The Department of Early Learning currently provides ECEAP through contracts with educational service districts, school districts, community colleges, local governments and nonprofits. During school year 2014-15, ECEAP is available in 36 of 39 Washington counties at more than 325 sites, with enrollment slots for 10,091 children. ECEAP contractors help ensure that enrolled children and families receive "comprehensive services," including preschool education; connecting families with medical, dental, nutritional and mental health services; and activities to build family partnerships and strengthen families (such as parent education, family visits and parent leadership opportunities).

## **Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

None from this 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?*

High quality prekindergarten is an essential component of the DEL strategy to provide voluntary high-quality early learning information and opportunities for children and families of Washington, which is goal #1 of the agency strategic plan. ECEAP provides a high quality comprehensive prekindergarten program with services based on child and family needs.

*Does this DP provide essential support to one or more of the Governor's Results Washington priorities?*

Yes, Goal #1 - World Class Education, which states that every child deserves a world-class education that prepares him or her for a healthy, productive life. DEL developed preliminary outcomes measures that focus on increasing access to education to provide every student with 21st century skills to succeed in school, job, career and in their communities.

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

Requirements in RCW 43.215.456.

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

All activities funded with General and Near-General Fund dollars were scrutinized prior to putting forth this proposal.

*What are the consequences of adopting or not adopting this package?*

1,391 part day slots would be eliminated, adding more children to the waiting list. 3.0 FTEs in the DEL/ECEAP program would be reduced. Cutting ECEAP slots decreases the total number of children served by ECEAP, and therefore impacts their school readiness. As noted previously there are currently more applicants than spaces in ECEAP. Reducing slots means more children will be on waiting lists and will not receive services. Cutting ECEAP slots would be backwards movement towards access goal 1.1a. - increase state-funded preschool enrollment slots from the 2012-13 baseline of 8,391 slots to 22,807 slots by 2018-19 school year-to serve 100 percent of eligible children whose families choose to enroll and success goal 2.1a which is to increase the percentage of children demonstrating readiness skills for kindergarten. Reducing DEL ECEAP FTEs jeopardizes DEL's ability to provide monitoring, oversight and quality assurance activities with ECEAP contractors.

***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?***

RCW 43.215.456 would need to be revised to address the reduction, as this statute establishes the goals that the ECEAP be an entitlement by the 2018-19 school year.

RCW 43.215.456(2) states that the program shall be implemented in phases, so that full implementation is achieved in the 2018-19 school year.

RCW 43.215.456(3) states that for the initial phase of the early learning program in school years 2011-12 and 2012-13, the legislature shall appropriate funding to the department for implementation of the program in an amount not less than the 2009-2011 enacted budget for the early childhood education and assistance program. The appropriation shall be sufficient to fund an equivalent number of slots as funded in the 2009-2011 enacted budget.

RCW 43.215.456(4) states that beginning in the 2013-14 school year, additional funding for the program must be phased in beginning in school districts providing all-day kindergarten programs under RCW 28A.150.315.

RCW 43.215.456(5) states that funding shall continue to be phased in incrementally each year until full statewide implementation of the early learning program is achieved in the 2018-19 school year, at which time any eligible child shall be entitled to be enrolled in the program.

A reduction of 1,391 slots would be a major reversal of this commitment.

***Expenditure and revenue calculations and assumptions***

Savings associated with (3.0) FTE: (\$231,407) in FY16 and (\$237,963) in FY17 for a total of (\$469,370) for Biennium 2015-17, as follows:

FY16: (3.0) FTE, (\$146,922) salaries, (\$60,985) benefits for a total of (\$207,407)

FY17: (3.0) FTE, (\$152,447) salaries, (\$61,016) benefits for a total of (\$212,963)

Goods and Services: (\$9,000) each fiscal year, assuming (\$3,000) per FTE per fiscal year.

Travel: (\$15,000) each fiscal year, assuming (\$5,000) per FTE per fiscal year.

Reduction of 1,391 (approximate) part day slots (@ \$7,331 annually per slot) = (\$10,193,164) in FY16 and (\$10,193,165) in FY17, or (\$20,386,327) for 2015-17

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

It is assumed that these reductions would all be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	(146,922)	(152,447)	(299,369)
B Employee Benefits	(60,985)	(61,016)	(122,001)
E Goods\Other Services	(9,000)	(9,000)	(18,000)
G Travel	(15,000)	(15,000)	(30,000)
N Grants, Benefits & Client Services	(10,193,164)	(10,193,164)	(20,386,328)
<b>Total Objects</b>	<b>(10,425,071)</b>	<b>(10,430,627)</b>	<b>(20,855,698)</b>

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** N0 Restore 1,391 ECEAP Slots  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

The Department of Early Learning (DEL) seeks to continue strategic implementation of the statutory requirement that a high-quality preschool program for all eligible 3- and 4-year-old children be offered as an entitlement by school year 2018-2019. DEL requests \$20,855,697 in funding support for the Early Childhood Education and Assistance Program (ECEAP) to restore 1,391 (approximate) part time slots at a cost of \$20,386,327 and 3.0 FTEs at a cost of \$469,370 reduced as part of the 15 percent reduction of unprotected Near-General Fund Maintenance Level budgets.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	10,425,071	10,430,627	20,855,698
<b>Total Cost</b>	<b>10,425,071</b>	<b>10,430,627</b>	<b>20,855,698</b>
<b>Staffing</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Annual Average</u></b>
FTEs	3.0	3.0	3.0

**Package Description:**

For the 2015-17 biennial budget, OFM requested that the Department of Early Learning (DEL) re-base state program budgets to a level below the Maintenance Level budget request for programs not protected from reduction by either state constitutional provisions or by federal law. DEL is required to identify, describe and prioritize budget reductions equal to 15 percent of unprotected Near-General Fund Maintenance Level budgets. DEL submitted six decision packages to achieve an overall reduction of \$25,756,332.

In this first of six buy back decision packages, DEL requests \$20,855,697 in funding support for the Early Childhood Education and Assistance Program (ECEAP) to fund 1,391 (approximate) part time slots at a cost of \$20,386,327 and 3.0 FTEs at a cost of \$469,370. ECEAP is Washington's pre-kindergarten program that prepares children from low income families for success in school and in life. Since 1985, ECEAP has focused on the well-being of the whole child by providing comprehensive nutrition, health, education and family support services. ECEAP reaches 3- and 4-year-old children most in need of these foundations for learning. The program design is aligned with the nationally researched programs that have shown exceptional returns on investment.

RCW 43.215.456 requires the Legislature to fully fund ECEAP as an entitlement by the 2018-19 school year (FY2019). The law also requires that additional funding for the program phases in beginning in the 2013-14 school year (FY2014), starting with school districts providing state-funded full-day kindergarten. The Legislature funded an additional 1,700 slots in Biennium 2013-15. Based on the FY 2014 ECEAP caseload forecast, DEL must add 3,179 slots per year in each of fiscal years 2016 through 2019 to serve all eligible children by the 2018-19 school year (FY2019). Not restoring the 1,391 slots unfunded with the 15 percent reduction package will put this required goal at grave risk.

Children are eligible for ECEAP in their two years before kindergarten, if they are from families with annual income at or below 110 percent of federal poverty level (\$26,235 for a family of four), qualify for school district special education services, are in foster care or from a family receiving Child Protective Services (CPS) or Family Assessment Response (FAR) services, and/or have developmental or environmental risk factors that could affect school success.

There are more applicants for ECEAP than spaces. As of March 2014, there were 1,131 4-year-olds and 1,099 3-year-olds on the ECEAP waiting list. Approximately 29,128 children in Washington were eligible for ECEAP and were not served by either ECEAP or the federal Head Start program.

ECEAP prioritizes enrollment of children who will be in kindergarten the following year, are in foster care, are homeless, are from families with lowest incomes, are from families receiving CPS or FAR services, and/or have multiple risk factors. 65% of children served by ECEAP are in families with incomes below 80% of federal poverty level (\$19,080 per year for a family of four), 35% speak a home language other than English, 10% are homeless, 9.6% are on an Individual Education Plan, 51% are behind in well-child medical exams, and 72% need to see a dentist.

The Department of Early Learning currently provides ECEAP through contracts with educational service districts, school districts, community colleges, local governments and nonprofits. During school year 2014-15, ECEAP is available in 36 of 39 Washington counties at more than 325 sites, with enrollment slots for 10,091 children. ECEAP contractors help ensure that enrolled children and families receive what we call "comprehensive services," including preschool education; connecting families with medical, dental, nutritional and mental health services; and activities to build family partnerships and strengthen families (such as parent education, family visits and parent leadership opportunities).

## **Narrative Justification and Impact Statement**

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

With increased access to high quality preschool learning experiences for services for children, DEL expects that more children enter kindergarten ready - as demonstrated by the Washington Inventory of Developing Skills (WaKIDS) - and more children meet or exceed grade level expectations by third grade. In Washington preschool, children attain age-level skills on Teaching Strategies GOLD, the same whole child assessment used as part of WaKIDS. With the implementation of Full School Day and Extended Day models, DEL expects it will continue to meet or exceed current ECEAP performance measures, including health, social/emotional and education. The Department would also expect to see reduced grade level retention, transitional bilingual education and special education enrollment by third grade.

## **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?***

Yes. High quality prekindergarten is an essential component of the DEL strategy to provide voluntary high-quality early learning information and opportunities for children and families of Washington, which is goal #1 of the agency strategic plan. ECEAP provides a high quality comprehensive prekindergarten program with services based on child and family needs.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

This decision package provides essential support to the Governor's Results Washington priority of world-class education. This request directly impacts goal 1.1a. - increase state-funded preschool enrollment slots from the 2012-13 baseline of 8,391 slots to 22,807 slots by 2018-19 school year-to serve 100 percent of eligible children whose families choose to enroll and success goal 2.1a which is to increase the percentage of children demonstrating readiness skills for kindergarten. ECEAP is also related to Goal #4 Healthy and Safe

Communities, stating that Washingtonians deserve access to high-quality and affordable health care. They also expect to be safe and protected in their community, on the road and at work. Outcome measure goal 1.2 is to decrease percentage of adults reporting fair or poor health from 15% in 2011 to 14% by 2017. ECEAP is a comprehensive child care program that increases children's social-emotional, physical and pre-academic skills; strengthens families and building their capacity to support their children's success; ensures that each child receives medical and dental care, and mental health care when needed, so they start school with optimal health.

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

The timing is right for this proposal as Washington continues to move toward serving all eligible children in ECEAP by school year 2018-19. This proposal increases access to high quality comprehensive preschool, allows DEL staff to focus on program quality and one-system integration, and positions Washington for the new federal preschool expansion grants.

Requirements specified in RCW 43.215.456.

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

All activities funded with General and Near-General Fund dollars were scrutinized, prior to putting forth this proposal.

***What are the consequences of adopting or not adopting this package?***

Not restoring the funding for 1,391 slots will put the State of Washington at great risk of not serving all eligible children by 2018-19, required by statute 43.215.456. Children will continue to be on wait lists, and eligible children will go un-served. Children and families will be denied the opportunity to have access to a high quality Full School Day and Extended Day pre-kindergarten environment. Children may enter kindergarten lacking the skills they need to be successful which will be reflected on measures such as WaKIDS and third grade reading proficiency.

***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?***

RCW 43.215.456 would need to be revised to address the reduction, as this statute establishes the goals that the ECEAP be an entitlement by the 2018-19 school year.

RCW 43.215.456(2) states that the program shall be implemented in phases, so that full implementation is achieved in the 2018-19 school year.

RCW 43.215.456(3) states that for the initial phase of the early learning program in school years 2011-12 and 2012-13, the legislature shall appropriate funding to the department for implementation of the program in an amount not less than the 2009-2011 enacted budget for the early childhood education and assistance program. The appropriation shall be sufficient to fund an equivalent number of slots as funded in the 2009-2011 enacted budget.

RCW 43.215.456(4) states that beginning in the 2013-14 school year, additional funding for the program must be phased in beginning in school districts providing all-day kindergarten programs under RCW 28A.150.315.

RCW 43.215.456(5) states that funding shall continue to be phased in incrementally each year until full statewide implementation of the early learning program is achieved in the 2018-19 school year, at which time any eligible child shall be entitled to be enrolled in the program.

Not restoring the 1,391 slots would be a major reversal of this commitment.

***Expenditure and revenue calculations and assumptions***

3.0 FTE: \$231,407 in FY16 and \$237,963 in FY17 for a total of \$469,370 for Biennium 2015-17, as follows:

FY16: 3.0 FTE, \$146,922 salaries, \$60,985 benefits for a total of \$207,407.

FY17: 3.0 FTE, \$152,447 salaries, \$61,016 benefits for a total of \$212,963.

Goods and Services: \$9,000 each fiscal year, assuming \$3,000 per FTE per fiscal year.

Travel: \$15,000 each fiscal year, assuming \$5,000 per FTE per fiscal year.

Client Service Contracts: 1,391 (approximate) part day slots (@ \$7,331 annually per slot) = \$10,193,164 in FY16 and \$10,193,165 in FY17, or \$20,386,327 for 2015-17.

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

All costs are ongoing.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
A Salaries And Wages	146,922	152,447	299,369
B Employee Benefits	60,985	61,016	122,001
E Goods\Other Services	9,000	9,000	18,000
G Travel	15,000	15,000	30,000
N Grants, Benefits & Client Services	10,193,164	10,193,164	20,386,328
<b>Total Objects</b>	<b>10,425,071</b>	<b>10,430,627</b>	<b>20,855,698</b>

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** N1 Early Achievers Sustainability  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

Early Achievers (EA) is Washington's voluntary Quality Rating and Improvement System for all early learning program types. The Early Achievers system includes standards that define quality, targeted supports to programs and professionals to reach and sustain high levels of quality, and ratings information to drive program improvements as well as inform parents and families when choosing an early learning setting. Early Achievers is the research based statewide framework that is addressing the current need to increase early learning quality for school readiness.

Early Achievers has been funded to date by federal dollars including the Race to the Top - Early Learning Challenge (RTT-ELC) grant funds which end December 2015. This package includes the funding to sustain Early Achievers at its current level. With sustained funding, DEL expects that we will meet our Results Washington goal of significantly increasing the number of early learning programs that rate a Level 3-5 resulting in higher percentages of kindergarten readiness as measured by the Washington Kindergarten Inventory of Developing Skills (WaKIDS).

DEL requests GFS funding in the amount of \$29,404,287 in Fiscal Year 2016 and \$41,136,565 in Fiscal Year 2017 for a total \$70,540,852 in 2015-17.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	29,404,287	41,136,565	70,540,852
<b>Total Cost</b>	<b>29,404,287</b>	<b>41,136,565</b>	<b>70,540,852</b>
 <b>Staffing</b>	 <b><u>FY 2016</u></b>	 <b><u>FY 2017</u></b>	 <b><u>Annual Average</u></b>
FTEs	14.0	12.0	13.0

**Package Description:**

The total cost of the Early Achievers (EA) for 2015-17 is \$104,864,457. \$34,323,605 of this amount will be paid for with existing resources. DEL requests GFS funding in the amount of \$29,404,287 in Fiscal Year 2016 and \$41,136,565 for a total \$70,540,455 in 2015-17.

Early Achievers is Washington's voluntary Quality Rating & Improvement System for early learning programs including licensed and certified/military child care centers and family homes, state pre-k and Head Start. Early Achievers defines, measures and supports the universal quality elements that contribute to positive child outcomes and school readiness in early learning programs. Early Achievers is currently being implemented statewide in all counties. Race to the Top - Early Learning Challenge (RTT-ELC) grant funds in addition to quality federal funds have been used to build the Early Achievers infrastructure and implement statewide. As of August 31,

2014 2,147 providers are participating in EA reaching 66,800 children. Future funding is needed to sustain Early Achievers after the RTT-ELC funding ends in December 2015 and support current participants who are actively working on data driven quality improvement efforts.

Now that Early Achievers has been fully implemented statewide, and enrollment has built up, DEL can better predict future costs of continuing on the QRIS pathway in Washington. Early Achievers is moving beyond the initial costs of building infrastructure and initial implementation into the naturally higher costs of full-scale operations supporting providers after rating. Further, as the system matures and providers progress to increasing levels of quality, the cost of reaching and sustaining that high quality goes up accordingly.

Overall, our recent estimates for the cost of Early Achievers are consistent with the numbers included in this decision package. However, the costs shown in this decision package are higher than earlier projections for various reasons:

- DEL is assuming a more aggressive enrollment and rating trajectory, getting the state to an overall participation rate of approximately 80% of all providers by end of the biennium
- This model includes tiered reimbursement for child care subsidies at the rates negotiated with the family child care labor union (which was not part of the original model)
- Providers are coming into the system with a larger deficit in quality than was originally assumed - they need more time and resources to get to quality
- This model includes needs-based grants and other additional supports requested specifically by the legislature in response to lower than anticipated initial ratings of providers serving our most vulnerable children
- DEL has included funding to pilot a school-age version of Early Achievers

Sustained funding will support:

- Early Achievers Technical Assistance and Coaching that is implemented by state partners, Child Care Aware of Washington. These strategies support program level quality improvement efforts to help programs prepare for rating readiness and then use data to make targeted quality improvement efforts after the rating. Coaching is targeted at specific learning environments to support the EA standards as well as at the program leadership level.
- Scholarships through Washington Scholarships and Early Achievers Opportunity Grants to increase the education level and expertise in specific early childhood education content for professionals employed in EA programs.
- State Professional Development including EA Institutes offered to all EA participants that offer high quality training related to the EA standards, coach and technical assistance training in all program types and consultation to coaches who work directly with EA programs.
- Rating and Evaluation including on-site data collection at all participating sites used to generate the Early Achievers rating as well on-going program evaluation.
- Training Resource Centers fund stipends to assist Head Start and ECEAP grantees and contractors who provide technical assistance to sites on the EA Reciprocity Pathway. Funds also support shared services alliances that provide comprehensive services to families and professional development to regional early learning programs.
- Quality Improvement Awards are annual awards to licensed EA programs based on rating level 3-5. The awards are used to sustain quality efforts on an on-going basis.
- Early Learning Collaboration funds educational service districts and early learning regional coalitions to support WaKIDS at the local level including use of common data collection and tracking and building local early learning through K-12 support for quality initiatives that tie to WaKIDS results.
- System Supports to fund on-going data analysis, DEL administration to sustain programs, community engagement related to EA and communication materials.
- EA School Age Pilot funding to test out an extension of the EA system in the before and after school programs that are licensed through DEL.

## **Narrative Justification and Impact Statement**

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

Increase number of early learning programs participating in EA  
FY16: 3,433  
FY17: 3,806

Increase number of early learning programs rated Levels 3-5

Level III: 689 in FY16, 886 in FY17  
Level IV: 675 in FY16, 782 in FY17.  
Level V: 25 in FY16, 29 in FY17.

Increase number of professionals who attain higher levels of formal education in early childhood education.

Increase the number of professionals completing the stackable certificates:

--Initial certificate - increase 15%

--Short-term certificate - increase 10%

--State certificate - increase 10%

--Increase the number of professionals completing an AA degree in ECE by 15%

--Increase the number of professionals completing a BA degree in ECE by 20%

### **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?***

Yes, DEL is linking all programs and initiatives to the Early Achievers framework to drive quality across the early learning system and build a comprehensive system for children birth to age 8. In the current agency strategic plan, Early Achievers is critical to meeting goal 1: Provide voluntary, high-quality early learning opportunities for children and families of Washington; goal 2: support all early learning professionals with research-based professional development and resources to ensure high-quality early learning opportunities and goal 3: Build public awareness of and support for high-quality early learning opportunities.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

Early Achievers directly supports two indicators in Results Washington:

--Goal 1: 1.1.b. - increasing the number of children served in licensed child care settings and preschools meeting quality criteria (defined by Early Achievers)

--Goal 1: 2.1.b. - increasing the number of early learning programs that achieve a Level 3 or above in Early Achievers

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

Early Achievers, Washington's Quality Rating and Improvement System (QRIS), is the overarching quality framework that connects all early learning programs and initiatives. QRIS is a nationally-recognized model that aligns various program quality improvement efforts in order to make services more efficient and increase the quality of child care. In Washington, EA has been used to reduce program

silos, share expertise between various types of child care, and increase access to resources for early learning providers. EA will continue to expand by aligning services for families in the field including access to comprehensive family supports, home visiting and early intervention.

Loss of funding will remove critical supports from more than 2,000 providers, serving more than 66,000 children, and will impact early learning efforts to support child and family access to high quality early learning opportunities across the state.

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

DEL has worked with private philanthropic organizations to explore other funding to sustain RTT-ELC work. The Bill and Melinda Gates Foundation has contributed significant resources to the RTT-ELC work including funding the Early Achievers data system and helping DEL determine how to connect all program types to Early Achievers. The Bill and Melinda Gates Foundation has committed to continue supporting work in Washington with specific emphasis on preschool quality that is aligned with the Foundation priorities. However, private funding is not available or viable for long-term sustainability of Early Achievers. In the successful RTT-ELC grant application submitted in 2011, DEL significantly increased Child Care Development Fund dollars over the course of the grant and stated the need for state dollars to support the initiatives in the future after RTT-ELC funding ends. The current decision package focuses the budget on sustaining activities and for current participants as well as increasing participation of all early learning program types over the biennium.

***What are the consequences of adopting or not adopting this package?***

DEL will no longer be able to fund the work of EA at the current participation rate. All programs that are participating in quality improvement efforts will lose momentum on goals and the Results Washington targets will not be met. Additionally, current legislation requiring ECEAP participation in EA will be compromised and many local organizations that have built capacity for Early Achievers implementation will be put in financial jeopardy.

***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***

The total cost of the Early Achievers (EA) for 2015-17 is \$104,864,457. \$34,323,605 of this amount will be paid for with existing resources. DEL requests GFS funding in the amount of \$29,404,287 in Fiscal Year 2016 and \$41,136,565 in Fiscal Year 2017 for a total of \$70,540,852 in 2015-17.

\$90,237,947 is requested in 2015-17 for the following Quality Rating and Improvement System (QRIS) activities:

--Ratings contractual costs totaling \$2,184,194 in Fiscal Year 2016 and \$3,247,146 in Fiscal Year 2017 for a total of \$5,431,340 for 2015-17. These expenses fund the activities and work done to collect, assess and report quality ratings to centers and family homes, inclusive of ECEAP and Head Start. Funding is influenced by actual and projected volumes of providers ready to be rated, but is then spread more evenly over the biennium to account for volume volatility to allow the University of Washington (UW) to cover costs considered fixed in the short term, manage recourses and support the infrastructure during EA program ramp up. Costs are adjusted for inflation at the prevailing rate (2%) beginning in 2016. Ongoing costs for these activities are \$8,904,545 in 2017-19 and \$5,902,630 in 2019-21.

--Rating Tool contractual costs totaling \$72,709 in Fiscal Year 2016 and \$105,791 in Fiscal Year 2017 for a total of \$178,500 for 2015-17. These expenses fund the CLASS and ERS assessments that are used to determine individual early achievers provider ratings. Ongoing costs for these activities are \$284,529 in 2017-19 and \$188,496 in 2019-21.

--Coaching contractual costs totaling \$7,925,893 in Fiscal Year 2016 and \$10,942,402 in Fiscal Year 2017 for a total of \$18,868,295 for 2015-17. These expenses fund the costs of coaching at facilities and direct program support from Child Care Aware needed to carry out all expense line item activities such as travel, program personnel, personnel professional development, supplies etc. This program

is provided by DEL's partner Child Care Aware via contract. Costs are adjusted for inflation at the prevailing rate (2%) beginning in 2016. Ongoing costs for these activities are \$29,016,612 in 2017-19 and \$34,823,024 in 2019-21.

--Technical Assistance and Ratings Readiness contractual costs totaling \$3,700,947 in Fiscal Year 2016 and \$3,326,104 in Fiscal Year 2017 for a total of \$6,937,051 for 2015-17. These expenses fund the following activities: (1) Level II TA, a service available to providers who enroll in EA to help them complete the requirements of Level II (2) Rating Readiness, a provider specific service tailored to the provider's individual needs to prepare for the ratings process after completing the Level II requirements (3) Pre-enrollment, which represents the cost of outreach to attract non-participating program to participate in EA and includes awareness, outreach and marketing. Costs are adjusted for inflation at the prevailing rate (2%) beginning in 2016. Ongoing costs for these activities are \$5,746,522 in 2017-19 and \$5,391,514 in 2019-21.

--Training contractual costs totaling \$315,729 in Fiscal Year 2016 and \$282,176 in Fiscal Year 2017 for a total of \$597,905 for 2015-17. These expenses fund the series of six professional development training units providers must complete prior to being eligible to submit for rating. Costs are adjusted for inflation at the prevailing rate (2%) beginning in 2016. Ongoing costs for these activities are \$575,502 in 2017-19 and \$590,869 in 2019-21.

--Scholarships and Training Reimbursement contractual costs totaling \$1,999,055 in Fiscal Year 2016 and \$2,038,976 in Fiscal Year 2017 for a total of \$4,038,031 for 2015-17. These expenses fund tuition support and other education-related reimbursements for books, travel, release time and related school supplies for Early Childhood Education (ECE) certificates, AA and BA degree attainment and CDA Assessment. This program, WA Scholarships for Child Care Professionals, is provided by DEL's partner Child Care Aware via contract. Costs are adjusted for inflation at the prevailing rate (2%) beginning in 2016. Ongoing costs for these activities are \$4,213,634 in 2017-19 and \$4,350,226 in 2019-21.

--Core Services and Network Administration contractual costs totaling \$2,679,596 in Fiscal Year 2016 and \$2,735,868 in Fiscal Year 2017 for a total of \$5,415,464 for 2015-17. These expenses fund CCA administration: (1) the cost of direct administration of EA programs from a statewide perspective, and (2) the indirect management and overhead cost at the network level (board of trustees, indirect management and general and contract compliance). Note: the cost of direct program administration is allocated to each program (Coaching, Technical Assistance (Level II), Training (Level II) and Scholarship and Tuition Reimbursement). Costs are adjusted for inflation at the prevailing rate (2%) beginning in 2016. Ongoing costs for these activities are \$5,645,302 in 2017-19 and \$5,823,744 in 2019-21.

--Early Achievers Opportunity Grants contractual costs totaling \$3,062,720 in Fiscal Year 2016 and \$3,062,720 in Fiscal Year 2017 for a total of \$6,125,440 for 2015-17. These costs are for scholarships provided to students. DEL contracts with the Washington State Board of Community and Technical Colleges (WSBCTC) to allocate award scholarships. These scholarships are also known as Early Achiever Opportunity Grants and are awarded to eligible early learning providers pursuing either an Early Childhood Education (ECE) statewide certificate or an AA degree in ECE after earning a statewide ECE certificate. This funding may be used for approved direct-support expenditures such as tuition, fees, books, national credential assessment fees, tutoring services, and emergency conditions that if resolved would help maintain the student in college. Ongoing costs for these activities are \$6,125,440 in 2017-19 and \$6,125,440 in 2019-21.

--Quality Improvement Awards contractual costs totaling \$3,384,250 in Fiscal Year 2016 and \$4,674,250 in Fiscal Year 2017 for a total of \$8,058,500 for 2015-17. These costs pay for annual awards paid out by DEL staff to licensed Early Achiever programs based on rating level 3-5. The awards are used to sustain and improve quality efforts throughout the life cycle of a provider's rating. Amount awarded varies by quality rating and provider type. DEL also awards needs-based grants to unrated licensed family homes (the total amount spent on needs-based grants is capped at \$250,000 per union negotiations and is first come first serve). The needs-based grants are not reflected in this line item. Costs are adjusted for inflation at the prevailing rate (2%) beginning in 2016. Ongoing costs for these activities are \$12,270,000 in 2017-19 and \$14,491,500 in 2019-21.

--ECEAP/Head Start Incentives contractual costs totaling \$4,005,000 in Fiscal Year 2016 and \$4,495,000 in Fiscal Year 2017 for a total of \$8,500,000 for 2015-17. These costs fund stipends paid out by DEL staff that assist Head Start and ECEAP grantees and contractors who provide technical assistance to sites on the EA Reciprocity Pathway. Funds also support shared services alliances that provide comprehensive services to families and professional development to regional early learning programs. Note these awards are available for centers that rate Level III-IV. Ongoing costs for these activities are \$10,455,000 in 2017-19 and \$10,940,000 in 2019-21.

--Program Evaluation contractual costs totaling \$1,021,000 in Fiscal Year 2016 and \$1,042,441 in Fiscal Year 2017 for a total of \$2,063,441 for 2015-17. These costs are paid to the University of Washington for on-site evaluation of child care facilities that assess a specific list of quality standards as well as facility environment and child/ teacher interactions. Costs are adjusted for inflation at the

prevailing rate (2%) beginning in 2016. Ongoing costs for these activities are \$2,064,332 in 2017-19 and \$2,219,008 in 2019-21.

--School Readiness Training, Coach Training and EA Institute contractual costs totaling \$2,960,900 in Fiscal Year 2016 and \$3,023,079 in Fiscal Year 2017 for a total of \$5,983,979 for 2015-17. These costs pay for developing and operating a training system for coaches and technical assistant specialists in the Early Achievers Standards, Environment Rating Scales, Classroom Assessment Scoring System, and WELS platform and Early Achievers coach framework. It is estimated that UW will train at least 200 coaches. These costs also include coaching consultation costs to facilitate monthly coach consultation meetings Experimental Education Unit (EEU) Coaching - costs to send 50 coaches this year to the Haring Center to train with master instructors and the UW coach team on how to support children with special needs in inclusive environments. Monthly consultation to follow by EEU and the UW coach team. Lastly, these costs cover Early Achievers Institutes - at least two Institutes yearly that include training in the Early Achievers standards, CLASS reliability, STEM curriculum, and evidence based parenting curriculum. Institutes serve approximately 500 EA providers per year. Costs are adjusted for inflation at the prevailing rate (2%) beginning in 2016. Ongoing costs for these activities are \$4,302,031 in 2017-19 and \$4,438,014 in 2019-21.

--Tiered Reimbursement costs totaling \$5,961,610 in Fiscal Year 2016 and \$7,178,411 in Fiscal Year 2017 for a total of \$13,140,021 for 2015-17. These costs are paid out by DEL staff and DSHS to licensed child care and ECEAP providers receiving braided funding. For enrolling in Early Achievers, providers are paid a 2% increase over base rate. After being rated, the provider no longer qualifies for the 2% enrollment increase, but qualifies for an increase based upon the rating level. For rating at a level 2, providers are paid a 2% increase over base rate. For rating at a level 3, providers are paid a 4% increase over base rate. For rating at a level 4, providers are paid a 10% increase over base rate. For rating at a level 5, providers are paid a 15% increase over base rate. Ongoing costs for these activities are \$16,272,787 in 2017-19 and \$17,833,879 in 2019-21. NOTE: \$5,720,000 of this total 2015-17 amount is believed to be in DSHS ESA budget and \$174,000 as a carry forward in DEL's budget for the Homeless and Seasonal child care programs.

--School Aged Pilot costs totaling \$500,000 in Fiscal Year 2016 and \$500,000 in Fiscal Year 2017 for a total of \$1,000,000 for 2015-17. This is the estimated cost to pilot a school-age connection to Early Achievers in licensed facilities serving children age 5-12 years in before and after school settings. The pilot will focus on 5 geographic areas of the state. Funding will support: 1) contracts to 5 educational organizations to support regional coordination of pilot activities, coaching based on quality improvement data and professional development/training; 2) incentives to direct programs; 3) data collection and rating; and, 4) evaluation of pilot activities. As a pilot, there are no ongoing costs.

--Training Resource Center Payments totaling \$3,899,980 in Fiscal Year 2016. This cost would pay for one-time lump sum payments to a total of 70 Head Start/ECEAP grantees and/or Contractors, which equals \$55,714 per recipient. The purposes of the payments are to establish and extend comprehensive service supports to regional early learning programs, through implementing shared service alliances across the state. The alliances would offer community based support for comprehensive services of wrap around supports for families who need additional supports outside of quality early learning. There are no ongoing costs.

\$760,000 is requested in 2015-17 for WAKIDS expenses, \$380,000 in Fiscal Year 2016 and \$380,000 in Fiscal Year 2017. These contractual costs are for the Educational Service Districts (ESDs) and Early Learning Regional Coalitions (ELRCs) to implement the following key components of WaKIDS Early Learning Collaboration: Assist school/district staff in connecting and communicating with early learning providers; Assist early learning providers in connecting and communicating with school/district staff; Share WaKIDS/Other Data; Promote the use of a State Kindergarten Transition Form (still in development); Utilize the Self-Reflection Matrix; Convene regional WaKIDS meetings; Identify/update the early learning contact person for each school district; Provide cross-sector early numeracy professional development; Evaluate the efficacy of key strategies of WaKIDS Early Learning Collaboration to inform future funding decisions. Ongoing costs for these activities are \$760,000 in 2017-19 and \$760,000 in 2019-21.

Note: OSPI is the lead agency for overall implementation of WAKids. Funding for other efforts within WAKIDS (including ongoing funding for expansion into all-day Kindergarten and continued training of new teachers) are assumed in the OSPI CFL and will be requested by OSPI for their PL.

\$2,941,056 is requested in 2015-17 for Professional Development Costs:

--Professional Development Incentives totaling \$425,040 in Fiscal Year 2016 and \$425,040 in Fiscal Year 2017 for a total of \$850,080 for 2015-17. These costs are for a program administered through DEL that awards professionals in the early learning field for their existing level of education upon entering information into the Managed Education and Registry Information Tool (MERIT) system. Professionals may be awarded in for up to three certifications or levels of degrees or any of the two. Ongoing costs for these activities are \$583,440 in 2017-19 and \$239,360 in 2019-21.

--Professional Development Retention Awards totaling \$629,280 in Fiscal Year 2016 and \$629,280 in Fiscal Year 2017 for a total of \$1,258,560 for 2015-17. These costs are for a program administered through DEL that awards professionals in the early learning field for increasing their level of education and obtaining Early Childhood Education (ECE) credentials. Ongoing costs for these activities are \$1,182,840 in 2017-19 and \$1,055,040 in 2019-21.

--Professional Development Education Verification contractual costs totaling \$416,208 in Fiscal Year 2016 and \$416,208 in Fiscal Year 2017 for a total of \$832,416 for 2015-17. DEL will contract with Centralia College to validate degrees and certificates entered into the DEL's MERIT (Managed Education and Registry Information Tool) system. Ongoing costs for these activities are \$725,552 in 2017-19 and \$573,040 in 2019-21.

\$4,935,065 is requested in 2015-17 for the following DEL System Support and Staff activities:

--Information Material and Dissemination costs totaling \$433,152 in Fiscal Year 2016 and \$484,096 in Fiscal Year 2017 for a total of \$917,248 for 2015-17. This includes translation services needed to disseminate information to publically communicate different work within the activities of the grant to providers, families and the public and the printed materials. These materials are ordered by DEL staff and disseminated to child care providers and professionals. Ongoing costs for these activities are \$1,040,384 in 2017-19 and \$1,040,384 in 2019-21.

--Community Engagement Contracted costs totaling \$225,000 in Fiscal Year 2016 and \$225,000 in Fiscal Year 2017 for a total of \$450,000 for 2015-17. These are costs for services that help/ contribute to engaging stakeholders, the community and public partners in the activities of the grant (example: links between community orgs. - parent navigators and the WA state libraries to host info nights). Ongoing costs for these activities are \$450,000 in 2017-19 and \$450,000 in 2019-21.

--Research Data Analysis contracted costs totaling \$1,538,712 in Fiscal Year 2016 and \$1,384,895 in Fiscal Year 2017 for a total of \$2,923,607 in 2015-17. These are costs for represents the cost to monitor and evaluate program performance and cost effectiveness of Early Achievers, workforce analysis, kindergarten readiness, etc. across DEL's statewide systems, partners, and early learning providers and professionals. Currently this is a contracted service because of the need to utilize independent third party evaluation (so that results are accepted by the field), technical assistance to and for key DEL partners (such as CCA), and specialized economic, quantitative/statistical and financial expertise across a wide array of activities. 45 percent of the costs are for finance (Early Achievers ecosystem cost analysis), economics (tiered subsidy and cost of quality), quantitative modeling (ECEAP, changes in provider costs relative to policy changes, etc.), partner technical assistance (Child Care Aware, University of Washington, etc.), cost effectiveness (cost per child, cost per coach, and cost per professional development incentive. 55% of the cost support data analytics repository (DAR) and related performance monitoring and reporting (ratings, subsidy, geographical and longitudinal analysis, etc.), annual workforce analysis and reporting, kindergarten readiness demographic and statistical analysis (WaKIDS). Costs are adjusted for inflation at the prevailing rate (2%) beginning in 2016. Ongoing costs for these activities are \$1,817,673 in 2017-19 and \$1,168,552 in 2019-21. During the ongoing period DEL will transfer these duties to newly hired internal staff.

--Technical Assistance required by the Race to the Top Grant costs totaling \$180,450 in Fiscal Year 2016 for a total of \$180,450 for 2015-17. These are for specific grant required expenditures such as DEL staff attending BUILD conferences. These conferences are required. There are not ongoing costs.

--Technical Assistance and expansion support are contracted costs totaling \$231,880 in Fiscal Year 2016 and \$231,800 in Fiscal Year 2017 for a total of \$463,760 in 2015-17. These costs are to fund ongoing national and state technical assistance for statewide implementation of the early learning system in addition to strategic consulting, assistance with report writing and communication materials for state and national audiences. Ongoing costs for these activities are \$463,760 in 2017-19 and \$463,760 in 2019-21.

\$2,839,650 is requested in 2015-17 for DEL IT System Support contracts for system development and maintenance, software licenses, and software configuration services and goods and services costs totaling \$1,754,989 in Fiscal Year 2016 and \$1,084,661 in Fiscal Year 2017.

--\$1,774,900 will pay for IT System Development and Maintenance Contracts to support the transition from a contracted Project Manager to an internal DEL resource so that we can keep the intellectual knowledge in-house and reduce the overall costs for maintaining the RTT-ELC program activities. Contracts will also continue for the RTT-ELC program development and maintenance as the program continues to evolve and expand.

--\$564,750 will pay for Software Licenses integral to the Early Achievers program so that DEL can continue to utilize the WELS software that calculates and maintains the Early Achievers ratings. An effective customer contact and support desk system is required

to increase customer relations and staff efficiencies.

--\$300,000 will pay for configuration of this support desk software in FY 16.

--\$200,000 will pay for continuation of security infrastructure is necessary to protect the integrity of DEL data systems and reduce risk to the agency and our partners.

Ongoing costs for DEL IT System Support costs total \$2,186,172 in 2017-19 and \$2,204,268 in 2019-21.

\$2,408,502 is requested in 2015-17 for 12.0 new permanent and 2.0 new 12-month temporary DEL staff, and staff support costs totaling \$1,311,589 in Fiscal Year 2016 and \$1,096,913 in Fiscal Year 2017.

--One WMS-3 Manager at \$224,208 to leads daily operations for professional development, QRIS and state prekindergarten to ensure sound implementation. Supports the assistant director of QPPG.

--Four Management Analyst 5s at \$733,832. One of the MA5 analysts will lead data system development and linkages between QRIS, ELMS, WELS and MERIT and will be the key liaison between program and IT staff. One of the MA5 analysts will act as a business analyst assisting program staff in writing requirements for data system development. Two of the analysts will be to perform ad hoc reporting, data modeling, and evaluate program effectiveness, transitioning this from a contractor.

--Two Customer Service Specialists at \$236,438 to provide technical assistance via phone and email to support providers using MERIT.

--One ITS4 at \$191,716 to act as a Quality Assurance Test Engineer (software tester). Software testing is currently performed by the business team rather than a trained IT professional. This position would assist in reduced defects and facilitate more robust testing to ensure our systems gather, hold, and make available the data necessary to meet program requirements.

--Two ITS5s at \$418,572. The first will act as Software Developer to continue to develop, maintain, troubleshoot and document mission-critical software systems. The systems have expanded and can no longer be sustained by a single developer. There is risk in having the knowledge rely within a single person and cross-training and knowledge transfer will be possible with a second resource. The second FTE will act as a Project Manager to effectively plan, initiate, and manage multiple software application development/implementation projects related to Early Achievers.

--One Budget Analyst 4 at \$175,684 to manage the budgetary activities across the entire Early Achievers Program.

--Three Fiscal Analyst 3s at \$222,264 in Fiscal Year 2016 (includes two temporary 12 month project staff) and one Fiscal Analyst 3s at \$74,088 in Fiscal Year 2017 for a total of \$296,352 in 2015-17 to process provider incentive checks that are currently being processed by a contractor. These analysts work with individual child care workers and providers, collecting W-9 information and entering them into the State Vendor System (AFRS), so that they can receive payments; review and release warrants (checks) to child care workers and providers and review contractual payments. The temporary employees will help manage the heavy work on the front end of entering all the child care workers and providers in the vendor system for the first time.

--Staff goods and services at \$20,100 if Fiscal Year 2016 and \$18,600 in Fiscal Year 2017, for a total of \$38,700 in 2015-17

--Staff travel at \$16,000 if Fiscal Year 2016 and \$14,000 in Fiscal Year 2017, for a total of \$30,000 in 2015-17

--Staff equipment at \$63,000 if Fiscal Year 2016.

\$742,237 is requested for DEL administrative overhead is, calculated as 32.6% of direct salaries and benefits in 2015-17.

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

All costs are ongoing with the exception of:

--School Aged Pilot costs totaling \$500,000 in Fiscal Year 2016 and \$500,000 in Fiscal Year 2017 for a total of \$1,000,000 for 2015-17.

--Training Resource Center Payments totaling \$3,899,980 in Fiscal Year 2016.

--Technical Assistance required by the Race to the Top Grant costs totaling \$180,450 in Fiscal Year 2016.

--Staff Equipment totaling \$63,000 in Fiscal Year 2016.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
A Salaries And Wages	891,780	785,484	1,677,264
B Employee Benefits	320,709	278,829	599,538
C Professional Svc Contracts	13,168,197	22,748,367	35,916,564
E Goods\Other Services	941,318	893,218	1,834,536
G Travel	61,112	14,000	75,112
J Capital Outlays	163,000	100,000	263,000
N Grants, Benefits & Client Services	13,462,900	15,969,701	29,432,601
T Intra-Agency Reimbursements	395,271	346,966	742,237
<b>Total Objects</b>	<b>29,404,287</b>	<b>41,136,565</b>	<b>70,540,852</b>

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** N2 Child Care Attend and Bill Sys  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

The Department of Early Learning (DEL) requests additional funding to continue software development and procurement for the Attendance, Billing and Childcare Subsidy (ABCS) project (formerly referred to as Time Attendance and Billing System -TABS). DEL requests \$19,430,225 in General Fund State (GF-S) funding.

Funding for this project was approved by the Legislature in 2011 and was based upon research by DEL of similar systems in place in other states. A vendor for software development to replace DEL's use of the Working Connections Authorization Program (WCAP) has been hired through the Department of Enterprise Services (DES) competitive bidding process and software development is underway. DEL's use of WCAP will be replaced with the Authorization Interface (AI) on the Early Learning Management System (ELMS) at DEL.

Once implemented, the ABCS system will address a number of current inefficiencies by automating the child care subsidy billing process and limiting dependency on legacy systems. The resulting outcomes include an increase in the accuracy of subsidy payments, a decrease in the number of overpayments, more efficient auditing methods, and improved lines of communication between consumers, providers, DSHS and DEL.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	11,622,585	7,807,639	19,430,224
<b>Total Cost</b>	<b>11,622,585</b>	<b>7,807,639</b>	<b>19,430,224</b>
<b>Staffing</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Annual Average</u></b>
FTEs	12.0	12.0	12.0

**Package Description:**

The Attendance, Billing and Childcare Subsidy (ABCS) project (formally known as the Time, Attendance and Billing System (TABS)) will include two major components: the Authorization Interface (AI) and the Attendance and Payment (AP) component. The components will be integrated to form an end-to-end DEL system that will interface with DSHS systems and subsystems. DEL plans to release the new system by the summer of 2016.

The Department of Early Learning (DEL) requests \$19,430,225 in funding to continue software development and procurement for the Attendance, Billing and Childcare Subsidy (ABCS) system (formerly referred to as Time Attendance and Billing System (TABS)). This project received \$4,980,000 in funding in the 2013-15 biennium. \$3,315,000 was funded through COPs and \$1,665,000 was provided for non-COP eligible expenses. After carry forward adjustments, \$502,000 of non-debt service funding was left in Fiscal

Year 2016 for the project. So DEL needs an additional \$19,430,225 to complete the project ( $19,430,225 + \$502,000 = \$19,932,225$ ).

\$11,622,585 is requested for Fiscal Year 2016 and \$7,807,639 for Fiscal Year 2017 for a total of \$19,430,225 in 2015-17. Costs are detailed as followed:

Staffing -Totaling \$2,103,376 in 2015-17. \$1,051,688 for Fiscal Year 2016 and \$1,051,688 for Fiscal Year 2017. This money pays for the following 12 FTEs and work activities:

- 1.0 Information Technology Specialist 5 (ITS5) - to act as a Project Manager, then transition to a System Manager
- 1.0 ITS4 - Business Analyst to manage requirements and defects
- 2.0 ITS5 - Software Developers to maintain and upgrade the system and associated interfaces
- 1.0 ITS5 and 1.0 ITS4 - SQL Business Intelligence and Integration Developers to maintain and upgrade data and reporting data infrastructure
- 1.0 ITS3 - Help Desk Technician
- 2.0 Administrative Regulations Analyst 3(ARA3) - Policy developers - These positions will do policy and procedure development and project coordination with an IT business analyst during system development, and also for ongoing project coordination and functioning as lead worker in an eligibility call center, and functioning as second-level troubleshooting at the call center.
- 2.0 Customer Service Specialists 3 (CSS3) - Assist providers and clients by staffing eligibility call center to assist providers and clients using the new system.
- 1.0 Fiscal Analyst 3 - to review payments, fix errors and release payments

Professional service contracts in support of the Authorization Interface (AI) and Attendance and Payment (AP) interfaces - \$1,460,266 for Fiscal Year 2016 to fund contracts to pay for project management, quality assurance, software development, and a special assistant attorney general. No costs are assumed in Fiscal Year 2017.

Estimated ongoing costs for a professional service contract associated with the Request for Proposal (RFP) to pay for configuring the commercial off-the-shelf (COTS) software as a service solution (SaaS) that will be released in October, 2014. The estimated costs for 2015-17 are \$6,997,645, all costs in Fiscal year 2016. It is anticipated that work on the solution will begin in March, 2015. Note: the anticipated costs of \$2,545,810 to pay for the Personal Service Contract from March-June of 2015 will be requested in a separate Fiscal Year 2015 Supplemental budget request.

Production AP SaaS service subscription and maintenance fees totaling \$7,846,993 for 2015-17: \$1,569,399 in Fiscal Year 2016 and \$6,277,595 in Fiscal Year 2017.

Additional costs for maintenance fees for DEL staff software subscriptions, IT and Project indirect costs, training, travel, equipment, payment and related Consolidated Technology Services (CTS) fees, warrant printing and mailing fees, and CTS data processing fees totaling \$1,014,960 in 2015-17: \$536,603 in Fiscal Year 2016 and \$478,357 in Fiscal Year 2017.

Contingency costs for unanticipated expenses totaling \$508,985 in Fiscal Year 2016.

Please see the ABCS DP-A1 Final Excel spreadsheet model that accompanied this budget request for greater expenditure assumption detail.

## Background

Ongoing costs (maintenance) begin in the last quarter of 2016 after implementation and are based on per child subscription costs. The original funding request was for software development of the authorization interface only. Research indicated implementation costs would be recovered by the vendor through annual subscriptions from DEL, and annual subscription costs would be approximately \$3,074,373 based upon estimated per child costs. Research further estimated that savings from reduced overpayments would pay for the annual subscription costs. Neither of these assumptions remains valid, however, so the additional costs of maintenance are added in this funding request.

DEL posted a Request for Bid (RFB) in early 2014 for the attendance and payment component of this project and received just one response. The vendor estimated it would cost \$9,499,390 to implement their solution, with annual subscription fees of \$6,277,594. These costs and annual subscriptions were not accounted for in the original project cost estimates.

To mitigate the implementation costs, additional delegated authority is being requested in a separate decision package for \$2.5 million for the remainder of FY15 to re-post the RFP for attendance and payment, negotiate a contract with the successful vendor, and begin

implementation activities.

A complete breakdown of one time and ongoing costs is available in Attachment ABCS DP-A1 Final and are broken down by fiscal year and line items, and differentiated as COP or non-COP funds.

It is now assumed that the new system will begin a gradual phase-in during the fourth quarter of Fiscal Year 2016, and be fully operational by July 1, 2016. It is also assumed that this new system will result in reduced operating costs for eligibility activities and related systems at DSHS because it would streamline processes and reduce the need for workers to use multiple systems to perform their jobs. Actual savings are indeterminate at this time.

#### Authorization Interface (AI)

AI functions will support application, review and approval of child care subsidy authorizations. AI will integrate with DSHS Washington Connections as the front-end user experience for on-line consumer applications requesting subsidized child care benefits, consistent with legislative direction. The admin portal allows state agency staff to determine household income eligibility, approved activities and authorize eligible providers to receive subsidy payments.

AI will also be integrated with DEL's Early Learning Management System (ELMS). ELMS is a web-based application implemented by DEL in 2012 to support Early Childhood Education Assistance Program (ECEAP) and Head Start functionality. ELMS currently supports enrollment and outcomes reporting for three- and four-year-old children in early childhood education and Head Start. Integration of subsidy and quality data through ELMS will allow DEL to evaluate the effectiveness and quality of child care for children whose families receive child care subsidy. This supports the goal of providing a single accessible, continuous and quality program for each child and family. These data are part of the Education Research and Data Center (ERDC) P-20W data warehouse.

The computer system currently supporting child care authorization is the Working Connections Authorization Program (WCAP) owned and maintained by DSHS. WCAP is highly integrated with Barcode, another DSHS system. WCAP includes a great deal of unused code and data tables. It was built on an ad hoc basis over 20 years by a number of different developers using Panther programming language. Recruiting development resources for WCAP is challenging because most schools are not currently teaching the Panther language.

The new AI system will keep the data elements that DSHS and DEL users actually use. Adding modifications and enhancements will be easier in AI than WCAP. It will be built on a modern platform using C# programming language and service-oriented technology so that DEL can easily adapt to any statewide eligibility efficiencies that result from Washington State Medical and Public Assistance Eligibility Study. Also as DSHS 'leans' business processes related to subsidized child care eligibility, AI will make those easier to implement.

#### Attendance and Payment (AP)

AP functions will automate tracking of time and attendance for children in subsidized child care, plus authorization and issuing of payments to the child care providers who serve child care subsidy consumers.

The proposed solution is a system using Point of Service (POS) and mobile devices for capturing attendance data delivered as a Software-as-a-Service (SaaS) solution. SaaS is the industry predominant method of delivery for similar commercial off-the-shelf (COTS) software, supporting the OCIO'S strategic direction to use SaaS when replacing existing legacy systems.

AI will also be integrated with AP. AP will replace payment and attendance functionality now supported by the DSHS system, SSPS. Integrating AI with AP reduces the risk of multiple interfaces with WCAP, Barcode and other DSHS systems and subsystems, which would be costly and inefficient for both agencies.

DSHS workers will be the end users of the AI system. The new, automated AI system will reduce errors and allow staff to be more efficient, resulting in fewer audit findings.

DSHS subject matter experts will have input on the AI user interface design. Collaborative meetings with DSHS technical experts have been occurring for several months to identify technical and functional specifications for integrating AI with DSHS systems and subsystems. System change requests (AWRs) already submitted to DSHS will allow for a more streamlined user experience.

AI will be user-tested before it is released and will be supported by a help desk and training.

## Background

The Child Care Subsidy Program provides subsidy payments to help low-income families pay for the cost of child care while working. Currently it is assisting an average of 43,352 Washington children and that number is increasing each year. The model that is currently used to determine a family's eligibility (WCAP) is being replaced in the ABCS project to improve the efficiencies in eligibility to better serve families and increase accessibility for providers and families on the status of their applications and eligibility.

Subsidized child care pays an average of \$230,104,688 a year on 27,550 households X \$700 per month X 12 months). In 2011 the Department of Social and Health Services (DSHS) wrote 7,435 overpayments totaling \$6,027,023. In 2013, the most current year figures are available for, 8,941 overpayments were made totaling \$7,086,568. This total does not include overpayments initiated by the State Auditor's Office. As of July 2014 there are still 4,146 unresolved overpayment issues requiring investigation. These 4,146 cases do not account for the many overpayments being discovered on a daily basis. The recommendation to provide funding after implementation would continue to provide DEL electronic tracking of attendance and payment and reduce the likelihood of fraud by eliminating the provider manually reporting a child's attendance.

In Fiscal Year 2013 budget, DEL received \$1,000,000 to study the existing Child Care Subsidy System and for developmental planning of as replacement system - now the Attendance, Billing and Childcare Subsidy (ABCS) system (formerly referred to as Time Attendance and Billing System (TABS)). The study of the existing system needed to occur prior starting the developmental planning of potential replacement system.

In 2013-15, a request for Bid (RFB) was posted for three months for a commercial off-the shelf (COTS) software as a service solution (SaaS) system for attendance and payment (AP). Only one bid was received for AP and it was substantially higher than research indicated a system would cost. Analysis of the feedback from vendors that showed interest but did not bid, and from the vendor that responded, indicated that DEL's assumption of costs for an attendance and payment system were significantly lower than market costs. The bid was rejected and a new RFB incorporating feedback from the original bid is being prepared for posting to enable more bidders to respond. DEL will first post a Request for Information (RFI) on WEBS to allow potential bidders to look at system requirements prior to a Request for Proposal (RFP), and will schedule bidder conferences where all interested parties can ask questions. In an effort to secure a competitive bid, DEL is actively seeking to meet with vendors who may have possible solutions even prior to the RFI being posted.

## **Narrative Justification and Impact Statement**

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

These updates to the Child Care Subsidy model will result in the following:

- The accuracy of a child's reported attendance is increased by having 100% of children electronically logged as present at the child care by the parent.
- The accuracy of subsidy authorizations is increased as measured by a reduction of documentation errors by the worker from 30% down to 10%.
- The accuracy of payments to a child care provider is increased as measured by an 80% reduction in payment recovery efforts by the state.

### **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?*

Yes, in order to achieve goal #4, promote systems excellence by ensuring DEL is well managed, the replacement of the current legacy

subsidy systems (which use paper and pencil attendance tracking) needs to occur.

***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

Yes, goal #1 - World Class Education. Goal 1.1 is to increase the percentage of children enrolled in high-quality early learning programs. Early learning at high quality, high dosage child care facilities has been shown to have a positive impact on achievement in school, especially for children living in high risk situations which includes low income. This project will provide the means for parents and providers to check on the status of applications for subsidized childcare directly, reduce the waiting time to process the eligibility authorization and quickly get children enrolled in childcare facilities which take subsidized children. This project will replace pencil and paper attendance records by providers and make subsidy payments by electronic funds transfer. This will reduce administrative time for providers and allow them more time with the children in their care.

This project will provide the platform to move to mobile apps for childcare subsidies in the future. The in-work RFP will ask respondents to include in their response the capacity of their system to use mobile apps for providers and parents to check on the status of payments and attendance which is in line with the Governor's call to improve statewide mobility of people, goods, and services. This project will provide DEL with the platform to provide mobile delivery of childcare subsidies.

Transparency in government is also a key goal of this project. With electronic records of subsidy authorization, and attendance and payments, DEL will be able to provide accurate reporting of subsidized child care to the P-20W data warehouse and make the information available for public consumption. These historical records will provide a baseline for identifying the connections between high quality daycare and graduation rates and other post-secondary education measures. At present these data are kept by providers and are not easily accessible for audits or reporting purposes. DEL provides data when requested by the public or other entities, but each request must be manually created. With electronic data, available stock reports can be built that could be accessed in real time by consumers through data.wa.gov.

Opportunities for data security will be much improved with electronic records of attendance and payment using modern security protocols, access control points and firewalls instead of paper records being sent through the U.S. Postal Service and delivered to mail boxes and residences.

Goal # 5 is Efficient, Effective and Accountable Government using LEAN management principles to deliver customer satisfaction. This project offers the opportunity to apply LEAN principles to the subsidy process in conjunction with the electronic efficiencies that will be realized. This project offers the opportunity to apply LEAN principles to the subsidy process in conjunction with the electronic efficiencies that will be realized. DEL is working directly with end users and case workers to document the current business process and will be doing a usability study to redesign and make improvements to the process where possible. By updating the child care subsidy model in the recommended ways, LEAN principles can be incorporated into the program itself in order to increase efficiencies. This project will also provide parents online access to check on the status of applications for subsidized childcare eligibility and on the attendance and payment records for their child. Providers will also have online access to this information for all of the children at their daycare facility.

This project will provide the platform to move towards mobile applications for childcare subsidies in the future, which is in support of Goal 5.1.1.a. The in-progress RFP will ask respondents to include in their response the capacity of their system to use mobile apps for providers and parents to check on the status of payments and attendance which is in line with the Governor's call to improve statewide mobility of people, goods, and services.

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

By housing and organizing the child care attendance records within DEL instead of with the child care providers, historical recordkeeping increases. This might also foster a sense of greater accountability amongst the providers and act as a pre-emptive deterrent for fraud. Improving the child care subsidy model will also result in better relations between parents, providers, and DEL.

This also presents the opportunity to tightly integrate providers who accept subsidy payments into the Early Achievers program, which is Washington State's Quality Rating and Improvement System, thus providing the opportunity for an increased quality of child care statewide. This system will reduce the complexities with operationalizing Tiered Subsidy Reimbursement within numerous legacy software systems.

This project is considered a major information technology project and is subject to specific requirements by the Office of the Chief Information Officer (OCIO). An IT Investment Plan was submitted and subsequently approved by the OCIO in January 2014, with a

condition that DEL project staff continue to monitor the Office of Financial Management (OFM) study around state-wide eligibility systems and work with OFM to implement any recommendations into the ongoing strategy for this project. The development of the authorization interface within DEL's Early Learning Management System (ELMS) is critical to the interface with the SaaS component for attendance and payment. The DEL owned and maintained authorization interface will integrate with multiple DSHS applications and provide a single interface for the SaaS which reduces the level of complexity for recording attendance and making payments.

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

DEL completed a comprehensive analysis of replacing DEL's use of WCAP and SSPS with a web based product, maintaining and improving those systems, and completed a full market analysis to determine if these systems could be replaced with commercial off-the-shelf (COTS) or Software as a Service (SaaS) products. A report was submitted to the legislature in December 2011 with the results of this study with two options and costs for: 1) maintaining existent legacy systems and 2) implementing an electronic attendance tracking system. A funding proviso was approved which matched the assumed replacement costs of both WCAP and SSPS instead of spending more money on outdated and antiquated systems. Work is underway for the development of the AI system and will continue into the next biennium.

***What are the consequences of adopting or not adopting this package?***

The Department would be unable to implement the electronic attendance and billing for childcare subsidy system without this funding. This project will replace DEL's use of two legacy systems, WCAP and SSPS, which are expensive to maintain, difficult to update, and any available resources that know the antiquated Panther code base are dwindling. Replacement of that skill set to maintain WCAP is almost nonexistent as development is now done in a web based format. The likelihood of system downtime is real and will have a negative impact on end users when it is not available. DEL paid out more than \$7 million in overpayments in 2013 which will continue until an electronic system is implemented. Audits completed by the state auditor's office, along with internal audits by DEL staff, have identified a number of provider billing errors along with potential fraud identified by a few providers. Provider records are the only means that DEL has to investigate fraud to recover the overpayments, but the agency has no substantive way to force providers to keep historical records. It is also difficult for DEL to provide accurate data for public disclosure requests because attendance in child care is reported solely by providers who typically do not keep records for the required five years.

An additional consequence could be federal disallowance of child care expenditures, requiring repayment with state funds instead, based on the state's failure to ensure program integrity and accountability. DEL continues to have audit findings that internal control of spending is not adequate.

***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 RCW changes are anticipated at this time.

***Expenditure and revenue calculations and assumptions***

FTE, Salary and Benefits - \$2,103,376 in 2015-17:

- 1.0 ITS5 - Project Manager/ to a System Manager - at a cost of \$209,286.
- 1.0 ITS4 - Business Analyst - at a cost of \$191,718.
- 2.0 ITS5 - Software Developers - at a cost of \$418,572.
- 1.0 ITS5 and 1.0 ITS4 - SQL Business Intelligence and Integration Developers - at a cost of \$401,004.
- 1.0 ITS3 - Help Desk Technician at a cost of \$175,686.
- 2.0 ARA3s - Policy Developers - at a cost of \$322,494.
- 2.0 Customer Service Specialists 3s - at a cost of \$236,440.
- 1.0 Fiscal Analyst 3 - at a cost of \$148,176

All of the above positions will work together to enhance and maintain the eligibility system, system interfaces, databases and mandated reporting systems.

Professional Service Contracts: \$1,460,266 in 2015-17:

--\$984,000 contract for software development

--\$373,126 for project management services to implement the attendance and payment system

--\$90,640 for quality assurance required by the OCIO on a deliverables contract

--\$12,500 for Special Assistant Attorney General (SAAG) services, assuming \$485 per hour x 25.77 hours. The Attorney General assisted the agency asking for assistance in procurement and negotiations with a vendor who would provide the attendance and payment component of ABCS using a Software as a Service (SaaS) cloud system, following the OCIO strategy of Innovative Delivery of Services with more cloud adoption to increase agility and pace of government. ABCS will be the first DEL system using SaaS and an attorney that specializes in IT contracts is required to ensure legal protections for DEL for data and payment of subsidized child care. The AG's office went through a competitive bidding process to hire a SAAG to assist in negotiating and drafting information technology contracts. The SAAG assisted in preparing the first RFB and General Terms and Conditions, and will be needed for the same work for the second procurement.

Professional Service Contracts Request for Proposal (RFP)

--Estimated ongoing costs for a Personal Service Contract associated with the Request for Proposal (RFP) to pay for configuring the commercial-off-the-shelf (COTS) software as a service solution (SaaS) that will be released in October, 2014. The estimated costs for 2015-17 are \$6,997,645, all costs in Fiscal year 2016. It is anticipated that work on the solution begin in March, 2015. Note: the anticipated costs of \$2,545,810 to pay for the Personal Service Contract from March-June of 2015 will be requested in a separate Fiscal Year 2015 Supplemental budget request.

SaaS Fees

--Production AP SaaS service subscription and maintenance fees totaling \$7336993 for 2015-17. \$1,569,399 in Fiscal Year 2016 and \$6,277,595 in Fiscal Year 2017.

Goods and Services, Training, Travel and Indirect Costs totaling \$1,169,760 in 2015-17:

--\$45,000 for developer related software licenses

--\$40,000 for training for the FTE

--\$24,000 for direct goods and services related to the FTE, including communications, supplies and materials

--\$56,438 for Solution Software License Purchase and Upgrades

--\$685,700 in indirect costs

-- \$121,820 for Payment and related Consolidated Technology Services (CTS) fees, warrant printing and mailing fees

--\$36,000 for CTS data processing fees

--Contingency Costs (20%) at a cost of 508,985 in 2015-17

Travel: \$6,000 for project related travel necessary for offsite meetings, including attendance or presentation at training.

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

\$6,997,645 to pay for the Personal Service Contract costs associated with the Request for Proposal (RFP) to pay for configuring the commercial off-the-shelf (COTS) software as a service solution (SaaS) are one-time.

\$1,460,266 to pay for the Personal Service Contracts in support of the Authorization Interface (AI) and Attendance and Payment (AP) interfaces to fund contracts to pay for project management, quality assurance, software development, and special assistant attorney general are one-time.

\$508,985 in Contingency costs are one time.

All other costs are ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	774,840	774,840	1,549,680
B Employee Benefits	276,848	276,848	553,696
C Professional Svc Contracts	9,525,310	6,277,595	15,802,905
E Goods\Other Services	699,737	132,506	832,243
G Travel	3,000	3,000	6,000
T Intra-Agency Reimbursements	342,850	342,850	685,700
<b>Total Objects</b>	<b>11,622,585</b>	<b>7,807,639</b>	<b>19,430,224</b>

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** N3 Increase Financial Mgmt Capacity  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

The Department of Early Learning (DEL) requests funding to establish a second budget position at the agency. This position will increase the agency's capacity to effectively monitor and manage ongoing agency spending plan day-to-day; update allotments in a timely manner; effectively coordinate with key partners, such as the Department of Social and Health Services (DSHS); respond in a timely manner to OFM and legislative information requests by providing accurate information, including responding to fiscal note requests; assist the agency's grant manager in managing grants (the agency currently has a single position to manage all its grants); and respond to questions from state and federal auditors and address internal control related audit findings.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	121,978	117,478	239,456
<b>Total Cost</b>	<b>121,978</b>	<b>117,478</b>	<b>239,456</b>
<b>Staffing</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Annual Average</u></b>
FTEs	1.0	1.0	1.0

**Package Description:**

The Department of Early Learning (DEL) requests \$239,456 in GFS to establish a second budget position at the agency. Since DEL was first established in 2006, the size and complexity of its budget has grown considerably:

- 2005-07 - \$33.1 Million (only one year)
- 2007-09 - \$329.9 Million (federal grants transferred)
- 2009-11 - \$366.2 Million
- 2011-13 - \$389 Million
- 2013-15 - \$482.6 Million

There have been significant increases in the number of appropriations, provisos, programs, contracts and cost centers to manage. With a single budget position, the agency is unable to meet acceptable levels of internal control in support of the agency's mission, goals and objectives. The agency does not have an effective internal control system to:

- Support orderly, economical, efficient and effective agency wide financial related operations
- Produce quality financial products and services consistent with the department's mission
- Safeguard financial resources against loss due to waste, abuse, mismanagement, errors and fraud
- Promote adherence to state statutes, rules, policy and procedures

- Develop and maintain reliable financial and management data, and accurately report that data in a timely manner
- The agency is unable to:
- Effectively monitor and manage ongoing agency spending day-to-day;
  - Maintain an up-to-date and accurate spending plan, updating allotments in a timely manner;
  - Effectively coordinate with key partners on financial matters, such as the Department of Social and Health Services (DSHS);
  - Respond in a timely manner to OFM and Legislative information requests and provide accurate information, including responding to fiscal note requests;
  - Manage grants --Effectively respond to questions from the State Auditor and correct internal control related audit findings that have been ongoing for six years.

**Narrative Justification and Impact Statement**

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

Currently the Department has no formal performance measures established for financial management. However, the Department believes that adding a budget analyst would improve agency performance with respect to budgeting and related functions in the following ways:

- Being more effective in monitoring and managing ongoing agency spending, including the creation of a centralized budget monitoring function that coordinates with programs on their budgets monthly.
- Creating standardized tools, internal procedures, and ongoing training on how program budgets are to be managed.
- Maintaining an accurate spending plan and updating allotments in a timely manner.
- Coordinating with key partners on financial matters, such as the Department of Social and Health Services (DSHS), and many contractors.
- Maintaining an updated Child Care and Development Fund (CCDF) spend plan that would be shared and discussed with DSHS. Financial questions from DSHS would be responded to in a timely manner.
- Responding in a timely manner to OFM and Legislative information requests and providing more accurate information.
- Decreasing the time it takes the agency to respond to fiscal notes and increasing the quality and accuracy of the information provided.
- Managing our grants more effectively.
- Effectively responding to questions from the State Auditor and correcting internal control related audit findings that have been ongoing for six years.

**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?***

Yes, the request is essential for successfully implementing Strategic Goal # 4 Promote excellence and hold the system accountable for results. Specifically, it is essential for meeting objective 4.1 - Ensure DEL staff have access to training and resources so that they are knowledgeable and offer high-quality service, and its related key objective to "ensure DEL has enough staff to manage our federal and state resources." The request is also essential for implementing objective 4.2 "investment in technology infrastructure and people to make data driven decisions" and its related key objective to ..."[focus] on problem solving, process improvement [and] making informed data driven decisions..." Finally, the request supports objective 4.3 "support employee growth and satisfaction" and its related key strategy to "increase communication and collaboration between staff across DEL divisions."

***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

This request is related to Priority #5 - Efficient, effective and accountable government. Washingtonians expect their tax dollars to be put to the best possible use. That means investing in state services that are the most important to them, providing those services with excellence and then making results easily available to the public. The department's leadership team has developed preliminary outcome

measures that demonstrate our commitment to using Lean management principles to deliver customer satisfaction, employee engagement and innovation, and transparency and accountability.

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

Stakeholders will support this request. It will benefit DEL internal stakeholders - especially program managers and leadership team members - by increasing capacity in the DEL Financial Services Office in order to improve the quality and timeliness of day-to-day financial information exchange and also DEL's structured financial planning and reporting efforts. Increasing, improving and better coordinating communication of financial information between and among program managers, the leadership team and the Financial Services Office will lead to improved financial decision making as a result of increased budget analytical capacity. The request will also benefit external stakeholders - especially Office of Financial Management and legislative fiscal staff - who have financial oversight responsibilities for DEL. The benefits for these stakeholders would be similar to those for internal stakeholders outlined above.

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

Resource redeployment options have already been employed in order to increase capacity, oversight and coordination of accounting and grant management functions. No further resources are available to redirect toward budget analytical and management capacity. Also, in order for a budget analyst to work on agency wide budgetary issues, the position must be cost allocated across all fund types, including General Fund-State.

***What are the consequences of adopting or not adopting this package?***

If this decision package is not funded, DEL will continue to not:

- Effectively monitor and manage our ongoing agency spending day-to-day
- Maintain an up-to-date and accurate spending plan, updating our allotments in a timely manner
- Effectively coordinate with key partners on financial matters, such as the Department of Social and Health Services (DSHS)
- Respond in a timely manner to OFM and Legislative information requests and provide accurate information, including responding to fiscal note requests
- Manage grants--Effectively respond to questions from the State Auditor and correct internal control related audit findings that have been ongoing for six years

***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***

FTE, Salary and Benefits: 1.0 FTE Budget Analyst 4 (BA4) costing \$87,842 each fiscal year.

Goods and Services: \$750 each fiscal year for direct goods and services including communications, supplies and employee development and training.

Travel: \$250 for reimbursement of any travel to attend any necessary out-of-town meetings or training. Travel is expected to be minimal for this FTE.

Equipment: a \$4,500 one-time expenditure in FY16 for necessary office furniture and equipment for the BA4, primarily comprised of a workstation, computer monitors and office chair.

Intra-agency Reimbursements: \$28,636 each fiscal year for indirect costs for agency administration and central services, calculated at 32.6 percent of salaries and benefits ( $\$87,842 \times 32.6\% = \$28,636$ ). This is for administration and management of the department including governance, executive management, fiscal operations, human resources, communications and outreach, government relations

and agency information technology services. It is also for agency central services including space and utilities, data processing fees and equipment leases, communications, attorney general and audit services and other mandatory charges for services from the Department of Personnel and Department of Enterprise Services.

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

FY16 equipment costs are one-time. All other costs are assumed ongoing.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
A Salaries And Wages	64,740	64,740	129,480
B Employee Benefits	23,102	23,102	46,204
E Goods\Other Services	750	750	1,500
G Travel	250	250	500
J Capital Outlays	4,500		4,500
T Intra-Agency Reimbursements	28,636	28,636	57,272
<b>Total Objects</b>	<b>121,978</b>	<b>117,478</b>	<b>239,456</b>

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** N4 ECEAP Expansion  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

The Department of Early Learning (DEL) seeks to continue strategic implementation of the statutory requirement that a high-quality preschool program for all eligible 3- and 4-year-old children be offered as an entitlement by school year 2018-2019. DEL recommends implementing all new Early Childhood Education and Assistance Program (ECEAP) slots as either Full School Day or Extended Day slots. DEL also recommends converting a percentage of Part Day slots to Full School Day or Extended Day in each fiscal year. As we increase access to preschool we must also continue to enhance and assure quality. DEL requests \$79,876,820 in new General Fund-State (GF-S) funding. DEL also requests that \$48,761,391 in existing federal Child Care and Development Fund (CCDF) dollars currently funding the Working Connections Child Care (WCCC) program be taken and reinvested in ECEAP.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	27,345,000	52,531,820	79,876,820
<b>Total Cost</b>	<b>27,345,000</b>	<b>52,531,820</b>	<b>79,876,820</b>
<b>Staffing</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Annual Average</u></b>
FTEs	7.0	15.0	11.0

**Package Description:**

National research has shown that high-quality preschool programs support increased kindergarten readiness and more children performing at or above grade level by third grade. Some essential elements of high-quality early learning include dosage or length of program day, child-adults interactions, rich environments and a strong professional development system. In the 2013-14 school year (FY2014), our state only served 39 percent of low-income children through the state-funded Early Childhood Education and Assistance Program (ECEAP) and federally-funded Head Start. In the 2014-15 school year (FY2015), our state will serve 42 percent of eligible children. At its peak during the 2013-14 school year (FY2014), 1,131 four-year-olds and 1,099 three-year-olds were on an ECEAP waiting list.

The Department requests General Fund-State dollars, that will be blended with \$48,761,391 in existing federal Child Care and Development Fund (CCDF) dollars for high-quality ECEAP slots and DEL FTEs. The GF-S request for this decision package totals \$27,345,000 in FY16 and \$52,531,820 in FY17. This proposal also would move \$16,311,412 in FY16 and \$32,449,979 in FY17 out of DEL's federal Child Care and Development Fund (CCDF) Working Connection Child Care (WCCC) proviso and into DEL ECEAP. RCW 43.215.456 requires the Legislature to fully fund ECEAP as an entitlement by the 2018-19 school year (FY2019). The law also requires that additional funding for the program phases in beginning in the 2013-14 school year (FY2014), starting with school districts providing state-funded full-day kindergarten. The Legislature funded an additional 1,700 slots in Biennium 2013-15. Based on the FY 2014 ECEAP caseload forecast, DEL must add 3,179 slots per year in each of fiscal years 2016 through 2019 to serve all

eligible children by the 2018-19 school year (FY2019).

Layering state general funds and federal CCDF dollars will support full school day preschool slots that are aligned with the essential elements of high-quality preschool programs. This innovative funding strategy supports continuity of care for our most vulnerable children and families.

To support this expansion, FTEs are needed for technical assistance and monitoring of program quality, consultation to Early Achievers preschool coaches, new contractor training on ECEAP requirements and on DEL's Early Learning Management System (ELMS), coordination of full participation of ECEAP in Early Achievers, and conducting the DEL state-funded preschool expedited licensing process.

From the ECEAP Expansion Plan, a joint project of DEL and the Office of Financial Management, pg. 16: "As part of ECEAP expansion, DEL will need to add staff for ECEAP monitoring, quality assurance, program support, and data analysis and information technology. DEL will maintain a staff level of one ECEAP FTE per 620 ECEAP slots by school year 2018-19. DEL may add additional FTEs a year prior to specific slot expansion targets to support high-quality implementation of ECEAP. DEL will adjust staffing assumptions based upon rate of expansion, changes to the program model and regionalization of quality assurance efforts."

Additional staff are needed for:

- Continuing the build out of the Early Learning Management System (ELMS);
- Training and technical assistance for new and existing ECEAP contractors;
- Desktop monitoring to ensure compliance with ECEAP requirements and eligibility;
- Monitoring and continuous quality improvement under Early Achievers - increased technical assistance, consultation to Early Achievers preschool coaches, training and professional development tied to using data to improve child outcomes; and
- Aligning programs with the newest research including lengthening the day, evidence-based curricula and strengthening the professional development system.

## **Narrative Justification and Impact Statement**

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

With increased access to high quality preschool learning experiences for services for children, DEL expects that more children enter kindergarten ready - as demonstrated by the Washington Inventory of Developing Skills (WaKIDS) - and more children meet or exceed grade level expectations by third grade. In Washington preschool, children attain age-level skills as measured by Teaching Strategies GOLD, the same whole child assessment used in WaKIDS. With the implementation of Full School Day and Extended Day models, DEL expects it will continue to meet or exceed current ECEAP performance measures, including health, social/emotional and education. The Department would also expect to see reduced grade level retention, transitional bilingual education and special education enrollment by third grade.

### **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?***

High quality prekindergarten is an essential component of the DEL strategy to provide voluntary high-quality early learning information and opportunities for children and families of Washington, which is goal #1 of the agency strategic plan. ECEAP provides a high quality comprehensive prekindergarten program with services based on child and family needs.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

This decision package provides essential support to the Governor's Results Washington priority of world-class education. Funding this

package meets access goal 1.1a. - increase state-funded preschool enrollment slots from the 2012-13 baseline of 8,391 slots to 22,807 slots by 2018-19 school year to serve 100 percent of eligible children whose families choose to enroll and success goal 2.1a which is to increase the percentage of children demonstrating readiness skills for kindergarten.

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

The timing is right for this proposal as Washington continues to move toward serving all eligible children in ECEAP by school year 2018-19. This proposal increases access to high quality comprehensive preschool, allows DEL staff to focus on program quality and one-system integration, and positions Washington for the new federal preschool expansion grants. This proposal also supports the legislature's intent to achieve full entitlement by FY19.

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

All agency dollars are committed to other purposes. There are no additional agency resources to meet this need. The state could choose to use GF-S TANF dollars instead of existing federal dollars to fund this package.

***What are the consequences of adopting or not adopting this package?***

If this package is not funded, the state will not make progress towards serving all eligible children by 2018-19, required by RCW 43.215.456. Children will continue to be on wait lists, and eligible children will go unserved. Children and families will be denied the opportunity to have access to a high quality Full School Day and Extended Day pre-kindergarten environment. Children may enter kindergarten lacking the skills they need to be successful which will be reflected on measures such as WaKIDS and third grade reading proficiency. Note: funding ECEAP with existing federal CCDF funds or GF-S TANF may result in a waiting list for Working Connections Child Care Subsidy.

***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?***

DEL is exploring necessary changes to the current Working Connections Child Care rules to ensure more children and families can access those dollars and have a high quality comprehensive preschool experience. In order to use federal dollars to augment current state part-day funding and achieve a longer day in the Full School Day and Extended Day slots, DEL must change WCCC rules related to eligibility.

***Expenditure and revenue calculations and assumptions***

The salary and benefits, intra-agency reimbursement (indirect expenditure), personal services contracts, goods and services, travel and equipment costs listed below are part of the DEL ECEAP monitoring and oversight costs. To calculate the total cost per child you would add the vendor rate and the DEL ECEAP monitoring and oversight costs.

FTE, Salary and Benefits:

FY16: 7.0 FTE costing \$573,049 in salaries and benefits, comprised of 1.0 Administrative Assistant 3 (AA3), 1.0 Commerce Specialist 2 (CS2), 3.0 Commerce Specialist 3 (CS3), 1.0 Information Technology Specialist 4 (ITS4), 1.0 Program Specialist 3 (PS3).

FY17: 15.0 FTE costing \$1,245,671 in salaries and benefits, comprised of 1.0 AA3, 1.0 CS2, 8.0 CS3, 1.0 Fiscal Analyst 1 (FA1), 2.0 ITS4, 2.0 PS3.

Duties for these FTE are as follows:

--FA1: To assist with budget monitoring, run reports and reconcile program expenditures, review monthly vouchers and monitor contract expenditures and assist with fiscal monitoring review.

--PS3: To manage contracts, conduct desktop monitoring for contract compliance, review and approve contract deliverables, update and maintain DEL's internal contract system, monitor contractor activity and prepare amendments as needed.

--CS3: To provide in-person training and technical assistance to new contractors, monitor classroom quality, conduct intensive on-site program reviews and participate in the selection of new contractors.

- CS2: To support the use of the Early Learning Management System (ELMS, the ECEAP information management system) - to produce reports, analyze and summarize data, and provide technical assistance to contractors.
- ITS4: To support the ongoing system design and development of ELMS including analysis, maintenance, programming, project management and problem resolution.
- AA3: To provide administrative support for the ECEAP team including coordination of travel and training.

The salary and benefit expenditures assume new contractors delivering ECEAP direct services around the state are added in each of fiscal years 2016-17, in order to increase ECEAP by 3,179 slots in each of fiscal years 2016-17. New DEL ECEAP staff will be needed each fiscal year to support high quality implementation of ECEAP expansion and ensure a four-year ECEAP program review cycle. As part of ECEAP expansion, DEL will need staff for ECEAP monitoring, quality assurance, program support, and data analysis and information technology.

Intra-agency Reimbursements: \$186,814 in FY16 and \$406,089 in FY17 for indirect costs for agency administration and central services, calculated at 32.6 percent of salaries and benefits ( $\$573,049 \times 32.6\% = \$186,814$  in FY16,  $\$1,245,671 \times 32.6\% = \$406,089$  in FY17). This is for administration and management of the department including governance, executive management, fiscal operations, human resources, communications and outreach, government relations and agency information technology services. It is also for agency central services including space and utilities, data processing fees and equipment leases, communications, attorney general and audit services and other mandatory charges for services from the Department of Personnel and Department of Enterprise Services.

#### Personal Service Contracts:

FY16, \$896,520, for Early Learning Management System (ELMS) development, ECEAP staff qualifications verification, fire marshal inspections, longitudinal ECEAP evaluation including child outcomes and other quality indicators, child assessment implementation and training, curriculum design on eligibility, health and developmental screenings, individualized instruction and family support.

FY17, \$1,080,116, for Early Learning Management System (ELMS) development, ECEAP staff qualifications verification, fire marshal inspections, longitudinal ECEAP evaluation including child outcomes and other quality indicators, child assessment implementation and training, curriculum design on eligibility, health and developmental screenings, individualized instruction and family support.

#### Goods and Services:

FY16, \$786,872, comprised of \$21,000 for direct program goods and services (including communications, supplies, employee development and training), assuming \$3,000 per FTE (7 FTE x 3,000 each = \$21,000) and \$765,872 for ELMS, child assessment, CLASS, ERS and other quality ECEAP activities.

FY17, \$206,322, comprised of \$45,000 for direct program goods and services, (15 FTE x 3,000 each = \$45,000) and \$161,322 for ELMS, child assessment, CLASS, ERS and other quality ECEAP activities.

The child assessment costs are calculated at the current rate of \$10 per child.  
ELMS data storage and backup costs are calculated at the rate of an additional \$7,500 each fiscal year.

#### Travel:

FY16: \$203,227 for CS3s and CS2 to monitor new classrooms and provide technical assistance and training on program standards and ELMS and for contractor staff to attend required trainings.

FY17: \$234,591 for CS3s and CS2 to monitor new classrooms and provide technical assistance and training on program standards and ELMS, complete intensive on-site program reviews for contractors added in FY13 and for contractor staff to attend required trainings.

Travel estimates are based on the following:

- In each fiscal year, one visit to each new classroom in the first year for training, monitoring and technical assistance at an average of 120 miles round trip with overnights required for half. One classroom = 20 slots.
- In In each fiscal year, one visit to each of the new classrooms from the previous fiscal year for targeted technical assistance at an average of 120 miles round trip with overnights required for half.
- In each fiscal year, travel costs for ECEAP contractor staff to attend professional development and directors' meetings for the new

ECEAP directors at an average of 120 miles round trip with some overnight lodging.

--FY16-17 in each fiscal year, contractor travel is required to obtain training to perform the necessary duties of the ECEAP contract; therefore travel will be reimbursed at a rate not exceeding the state per diem rate. Travel is directly related to trainings and meetings to ensure consistent quality implementation of ECEAP across contractors.

Equipment: a \$26,000 one-time expenditure in FY16 for necessary office furniture and equipment for the 7.0 new FTE, and a \$30,000 one-time expenditure in FY17 for the 8 additional new FTE. This expenditure is primarily comprised of workstations, computer monitors and office chairs for each FTE.

#### Client Services Contracts:

FY16, \$40,983,091, assuming:

--\$22,234,425 for new Full School Day slots, assuming 2,225 new slots x \$9,993 per slot.

--\$870,474 for converting existing Part Day slots to Full School Day slots, assuming 327 converted slots x \$2,662 additional per slot.

--\$14,781,219 for 954 new Extended Day slots, assuming \$15,493.94 per slot.

--\$1,730,543 for converting existing Part Day slots to Extended Day slots, assuming 212 converted slots x \$8,162.94 additional per slot.

--\$16,371 for Level 2 tiered reimbursement, assuming 128 Full School Day slots x \$53.75 per slot for \$6,880 and 58 Extended Day slots x \$163.64 per slot for \$9,491.

--\$150,213 for Level 3 tiered reimbursement, assuming 587 Full School Day slots x \$106.97 per slot for \$62,791, and 268 Extended Day slots x \$326.20 per slot for \$87,422.

--\$1,126,699 for Level 4 tiered reimbursement, assuming 1,761 Full School Day slots x \$266.59 per slot for \$469,465, and 805 Extended Day slots x \$816.44 per slot for \$657,234.

--\$73,673 for Level 5 tiered reimbursement, assuming 77 Full School Day slots x \$399.88 per slot for \$30,791, and 35 Extended Day slots x \$1,225.20 per slot for \$42,882.

Of the above amounts, \$16,311,412 would be funded by existing federal CCDF dollars (or TANF state dollars) and \$24,672,205 by new GF-S dollars:

--Costs for converted Full School Day and Extended Day slots would be CCDF or TANF.

--A portion of the new Full School Day and Extended Day slots would be CCDF or TANF and new GF-S dollars.

--Tiered reimbursement for all slots would be funded by new GF-S dollars.

FY17, \$81,778,990, assuming:

--\$ 44,468,850 for new Full School Day slots, assuming 4,450 new slots x \$9,993 per slot.

--\$ 3,682,384 for converting existing Part Day slots to Full School Day slots, assuming 632 converted slots x \$2,662 additional per slot.

--\$29,562,438 for 1,908 new Extended Day slots, assuming \$15,493.94 per slot.

--\$ 3,346,805 for converting existing Part Day slots to Extended Day slots, assuming 410 converted slots x \$8,162.94 additional per slot.

--\$32,635 for Level 2 tiered reimbursement, assuming 254 Full School Day slots x 53.75 per slot for \$13,653 and 116 Extended Day slots x 163.64 per slot for \$18,982.

--\$298,913 for Level 3 tiered reimbursement, assuming 1,169 Full School Day slots x \$106.97 per slot for \$125,048, and 533 Extended Day slots x \$326.20 per slot for \$173,865.

-- \$2,240,419 for Level 4 tiered reimbursement, assuming 3,507 Full School Day slots x \$266.59 per slot for \$ 934,931, and 1,599 Extended Day slots x \$816.44 per slot for \$ 1,305,488.

-- \$146,546 Level 5 tiered reimbursement, assuming 152 Full School Day slots x \$399.88 per slot for \$60,782, and 70 Extended Day slots x \$1,225.20 per slot for \$85,764.

Of the above amounts, \$32,449,979 would be funded by existing federal CCDF dollars (or TANF state dollars) and \$49,329,011 by new GF-S dollars:

--Costs for converted Full School Day and Extended Day slots would be CCDF or TANF.

--A portion of the new Full School Day and Extended Day slots would be CCDF or TANF and new GF-S dollars.

--Tiered reimbursement for all slots would be funded by new GF-S dollars.

Further assumptions for client services contract expenditures:

--The current vendor rate is \$7,331 per slot for Part Day ECEAP.

--DEL assumes that all new slots will be Full School Day or Extended Day. DEL also assumes that in each fiscal year:

- 4% of existing slots will convert from Part Day to Full School Day
- 2.6% of existing slots will convert from Part Day to Extended Day
- All sites must participate in Early Achievers and therefore will receive the Level 2 two percent tiered reward.
- A Full School Day (6hr) ECEAP braided slot is equal to the Part Day ECEAP rate of 7,331 plus a part day Working Connections Child Care (WCCC) rate of \$2,662 for a total of \$9,993 per slot.
- An Extended Day (10hr) ECEAP braided slot is equal to the Part Day ECEAP rate of 7,331 plus the full day Working Connections Child Care (WCCC) rate of \$8,162.94 for a total of \$15,493.94 per slot.
- Full School Day and Extended Day rates could include Federal CCDF funding and tiered reimbursement for Levels 2-5.

DEL assumes the following percentages of ECEAP slots eligible for tiered reimbursement:

- 23% for Level 3.
- 69% for Level 4.
- 3% for Level 5.

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

Equipment expenditures for FY16 and FY17 are one-time. All other expenditures are assumed ongoing at the fiscal year 2017 amounts in this decision package, in order to serve Washington's most vulnerable children and families in high quality Full School Day and Extended Day ECEAP slots. DEL will maintain a staff level of one ECEAP FTE per 620 ECEAP slots by school year 2018-19 (fiscal 2019). DEL may add additional FTEs a year prior to specific slot expansion targets to support high-quality implementation of ECEAP. DEL will adjust staffing assumptions based upon rate of expansion, changes to the program model and regionalization of quality assurance efforts. ECEAP will use the expertise of all DEL staff in expansion efforts and training needs.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
A Salaries And Wages	417,912	910,452	1,328,364
B Employee Benefits	155,137	335,219	490,356
C Professional Svc Contracts	896,520	1,080,116	1,976,636
E Goods\Other Services	786,872	206,322	993,194
G Travel	203,540	234,611	438,151
J Capital Outlays	26,000	30,000	56,000
N Grants, Benefits & Client Services	24,672,205	49,329,011	74,001,216
T Intra-Agency Reimbursements	186,814	406,089	592,903
<b>Total Objects</b>	<b>27,345,000</b>	<b>52,531,820</b>	<b>79,876,820</b>

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** N5 Restore Seasonal Child Care GFS  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

DEL requests restoration of \$2,893,600 in state funding supporting the Seasonal Child Care (SCC) Subsidy Program. The SCC subsidy program helps eligible seasonal workers who cultivate, harvest or process crops in Washington pay for temporary child care. Seasonal Child Care provides child care support to families engaged in agricultural work to place their young children in licensed child care. This support ensures that young children are not left home alone while parents are working, left in the care of another child or brought to the fields where the parents are working. Reduction of funding to this program increases the risk of potential harm to children and does not support the child's healthy development.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	1,176,000	1,717,000	2,893,000
<b>Total Cost</b>	<b>1,176,000</b>	<b>1,717,000</b>	<b>2,893,000</b>

**Package Description:**

For the 2015-17 biennial budget, OFM requested that the Department of Early Learning (DEL) re-base state program budgets to a level below the Maintenance Level budget request for programs not protected from reduction by either state constitutional provisions or by federal law. DEL is required to identify, describe and prioritize budget reductions equal to 15 percent of unprotected Near-General Fund Maintenance Level budgets. DEL submitted six decision packages to achieve an overall reduction of \$25,756,332.

In this second of six buy back decision packages, DEL requests restoration of \$2,893,600 in state funding supporting the Seasonal Child Care (SCC) Subsidy Program. The SCC subsidy program helps eligible seasonal workers who cultivate, harvest or process crops in Washington pay for temporary child care. Eligible families must have income at or below 200 percent of the federal poverty level (FPL) and must live in the following counties: Adams, Benton, Chelan, Douglas, Franklin, Grant, Kittitas, Okanogan, Skagit, Walla Walla, Whatcom, or Yakima. Federal law requires that children who receive the federally funded subsidies legally reside in the United States. This requirement applies only to the child who receives the child care subsidy. The status of parents and other siblings is not considered when determining a child's eligibility.

Seasonal Child Care provides child care support to families engaged in agricultural work to place their young children in licensed child care. This support ensures that young children are not left home alone while parents are working, left in the care of another child or brought to the fields where the parents are working. Reduction of funding to this program increases the risk of potential harm to children and does not support the child's healthy development.

## **Narrative Justification and Impact Statement**

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

This budget activity provides agricultural workers assistance with child care costs. The expected outcome is Safe, healthy environments and continuity of care that supports child development for Washington's most vulnerable families. Also, children served arrive at kindergarten ready to succeed. This results in higher achievement demonstrated in elementary, middle, and high school.

### **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?***

Yes. The (SCC) Subsidy Program supports goal #1 - Provide voluntary, high-quality early learning information and opportunities for children and families of Washington.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

This package would impact the Governor's World Class Education Results Washington Priority and Healthy and Safe Communities.

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

Not restoring this funding will likely shift this service population to Working Connections Child Care (WCCC) slots funded with federal dollars, causing the need for a waiting list to be established. Presently, there is not a waiting list for the WCCC program.

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

All activities funded with General and Near-General Fund dollars were scrutinized prior to putting forth this proposal.

### ***What are the consequences of adopting or not adopting this package?***

Not eliminating \$2,893,600 in funding would buy back child care services to 1,556 families and 3,501 children, per year. The establishment of a waiting list in the WCCC program wouldn't be necessary.

### ***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***

Grants, Benefits and Client Service Contracts: \$1,176,000 in FY2016 and \$1,717,000 in FY2017.

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

All costs are ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
N Grants, Benefits & Client Services	1,176,000	1,717,000	2,893,000

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** N6 Sustain and Expand Home Visiting  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

DEL requests an increased GF-S investment in the HVSA by \$12,476,000 for Biennium 2015-17. Of this amount, \$10,476,000 is necessary to sustain home visiting services currently funded through competitive MIECHV funds and TANF GF-S which will be exhausted before the end of the biennium. In the event that DEL receives notification of approval of competitive MIECHV funding in March of 2015, the amount requested will be modified. The other \$2,000,000 in this request is to support expansion of evidence-based and promising practice home visiting to continue to increase coverage of high quality home visiting to additional communities and families. This increase is necessary to modestly extend coverage of high quality services to approximately 150 more of the state's earliest learners and their families per fiscal year.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	2,979,000	9,497,000	12,476,000
<b>Total Cost</b>	<b>2,979,000</b>	<b>9,497,000</b>	<b>12,476,000</b>
<b>Staffing</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Annual Average</u></b>
FTEs	1.4	2.7	2.1

**Package Description:**

For Biennium 2013-15, the Legislature appropriated \$2,868,000 General Fund State (GF-S) to support evidence-based and promising practice home visiting into the Home Visiting Services Account (HVSA). These GF-S dollars are accompanied by \$3,638,000 federal formula Maternal, Infant and Early Childhood Home Visiting (MIECHV) grant funds, \$17,300,000 competitive MIECHV grant funds, \$2,475,000 in Temporary Assistance for Needy Families (TANF) GF-S, and \$5,000,000 private investment. This request would increase the GF-S investment from \$2,868,000 to \$15,342,000 (not including TANF GF-S) to sustain current program service levels, and to modestly expand coverage by 150 slots.

**SUSTAIN HOME VISITING:**

The Home Visiting Services Account (HVSA), established in statute in 2010, directs the Department of Early Learning (DEL) and Thrive by Five Washington (Thrive) to braid federal and state funds and to leverage private funds to support a significant expansion of voluntary home visiting services to families across the state. "Evidence-based" and "promising practices" home visiting programs engage vulnerable pregnant women and families with infants and young children, focusing on birth to three years old. For the past three years, investment from the state general fund has represented approximately 10% of total HVSA expenditures. Federal funds have represented 70% of HVSA expenditures, and the remaining 20% are pooled private funds.

In the spring of 2016, funding from the current federal Maternal, Infant and Early Childhood Home Visiting (MIECHV) program

competitive grant of \$8,700,000 will be exhausted. DEL is expecting a funding opportunity announcement to allow all states to re-compete for the MIECHV competitive funds in August 2014 with funding announcements in March 2015. At this time, levels of funding and the number of anticipated awards are unknown. If awarded, funds will likely be expended April 2016-June 2017. In case the MIECHV competitive grant is not awarded at current levels, DEL is requesting funds to sustain current home visiting services through the biennium. To maintain services for more than 1,100 slots in 14 counties, DEL is seeking \$10,476,000 General Fund State GFS to ensure services continue in these communities over the Biennium 2015-17. This request includes funding for 1.7 existing program staff at DEL, and funding for Thrive by Five Washington to contract for local home visiting services, monitoring, to provide specialized training, and for consultants to ensure quality home visiting implementation. Additionally, we request funding for contracts that support database development and maintenance, continuous quality improvement, data reporting and evaluation.

The HVSA has started an innovative partnership with The Department of Social and Health Services to provide home visiting for families in the infant exemption or rapid re-housing pathways. \$2,475,000 state TANF funds were transferred into the HVSA for a project period of July 1, 2014-December 30, 2016. These funds will be focused on increasing engagement and referrals between TANF and HVSA in communities and increasing access to home visiting services for TANF families to support early brain development and a two generation approach to parenting and workforce success.

Starting in January 2015, between 150-250 slots funded with one-time TANF dollars will be added to communities to serve TANF eligible families through December 2016 and support a 0.75 FTE at DEL. To maintain services for the 150-250 slots and allow for adequate DEL staffing, DEL is seeking \$600,000 GF-S to ensure services are sustained in these communities over the 2015-17 biennium.

#### EXPAND HOME VISITING:

DEL is requesting funds to modestly expand the HVSA's capacity to fund evidence-based and promising practices home visiting serve for an additional 150 young children and their families per year in the ensuing biennium. This includes adding 1 FTE (a 0.5 Program Specialist and 0.5 AA3) at DEL to support and coordinate this effort, distributing more than \$700,000 to communities, increasing professional development, technical assistance, evaluation, continuous quality improvement and reporting capacity. To date, GF-S represents approximately 10% of the total investment. When invested in the HVSA, GF-S leverages a 50% private match rate.

## **Narrative Justification and Impact Statement**

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

#### SUSTAIN HOME VISITING:

As a result of the \$10,476,000 million GSF (and in the case that DEL does not receive current levels of competitive MIECHV funding), DEL will maintain current level of services in 14 high-risk communities including 1,100 currently federal funded slots providing two evidence-based home visiting models, Nurse-Family Partnership and Parents as Teachers. These home visiting models have demonstrated outcomes in maternal and child health, parenting and child development and economic self-sufficiency. We expect to have notification from HRSA by March of 2015 about how much funding Washington will receive, if any.

As a result of the \$600,000 GSF for TANF slots, DEL will maintain current level of services in the communities receiving 150-250 TANF state funded slots. These home visiting services are targeted to eligible TANF families. Home visiting models have demonstrated outcomes in maternal and child health, parenting and child development and economic self-sufficiency.

#### EXPAND HOME VISITING:

As a result of an additional \$2,000,000 in Biennium 2015-17, an additional 150 home visiting slots per year will be added. The additional GF-S will be invested in implementing evidence-based and promising practice home visiting, evaluation and developing the home visiting workforce through training, coaching and professional development. These home visiting models have demonstrated outcomes in maternal and child health, parenting and child development and economic self-sufficiency.

## **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?***

Sustaining and expanding home visiting services is essential to DEL's strategy to support families through quality services and supports as outlined in the DEL's 2014-2017 strategic plan, Objectives 1.3 and 2.1. Additionally, increasing access to home visiting is identified as strategy #5 in the 10 year Early Learning Plan.

***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

Home Visiting is identified as one of DEL's strategies for increasing access to high quality early learning programs as a foundational component of World Class Education.

Specifically, Results Washington sets this objective: "1.1.e Increase by 10% the number of parents/families who have access to support through voluntary home visiting services from June 2013 baseline by June 2015." With the competitive MIECHV funding, DEL has reached its goal of 10% increase for Results Washington objective 1.1.e. Without this investment from the Legislature to continue current levels of service, DEL will not maintain or build on the 10% increase.

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

Home visiting has been identified as a key strategy in the 2010 Birth to Three plan and 2012 Birth to Three short-term investments report to the legislature. This powerful strategy has buy-in across state agency, communities and with early learning advocates. Home visiting is one of the key birth to three strategies with evidence of short, medium and long term impacts on families, children and their communities through reduced crime and incarceration, child abuse and neglect, maternal smoking, child and parental health, learning and employment outcomes. Additionally, the Department of Health (DOH) Essentials for Childhood grant calls for changing policy and social norms to support families and communities to create and sustain "safe, stable, and nurturing relationships and environments" for children. With sustained and increased investment in home visiting using approaches from Implementation Science and collective impact, home visiting provides a tangible and scalable method for communities to support families in this way.

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

The MIECHV funds were authorized federally for five years and extended for one additional year (FFY10-FFY15). Washington State has received five years of formula MIECHV grants, ranging from \$1,300,000 to \$1,800,000 during FFY10-FFY14. DEL anticipates the FFY15 MIECHV formula funds will be expended by June 2017. Washington State has received competitive MIECHV grants totaling \$23,900,000 over three years. DEL anticipates the competitive MIECHV grants to be expended by spring 2016. DEL is proposing \$10,480,000 to sustain levels of services and supports through June 2017.

Thrive by Five WA secures investments from private foundations as a match for state and federal funds, currently investing more than \$2,500,000 million per year to home visiting services, administration and evaluation. DEL and Thrive by Five WA continue to work with state agencies, the Legislature, and philanthropic organizations to pursue a diversified strategy. Note that continued and expanded investment into HVSA is necessary to continue drawing private match funding.

***What are the consequences of adopting or not adopting this package?***

**SUSTAIN HOME VISITING:**

If not funded and the MIECHV competitive grant not received, more than 1,100 vulnerable families will lose access to home visiting services. This funding includes many jobs for home visitors, supervisors and administrators across the state in community-based organizations. As mentioned previously, if DEL receives competitive funding from MIECHV, this request will be modified. DEL anticipates funding announcements for the competitive MIECHV funding to March 2015.

The one-time TANF funds will be depleted by 1/1/17. This decision package is requesting six months of funding for the remainder of the biennium. If not funded and additional TANF funds are not allocated, 150-250 TANF families, particularly those in the infant exemption and rapid re-housing pathway, will lose access to home visiting services.

**EXPAND HOME VISITING:**

If there is no additional investment in the HVSA, there will not be expanded capacity in communities for an additional 150 slots for

young children and their families for high quality home visiting.

***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***

The expenditure calculations are based on sustaining the current level of home visiting services, administration, implementation support (training, technical assistance and coaching), data system development, continuous quality improvement, evaluation and reporting as the FFY14 competitive MIECHV grants for the final quarter of FY16 and the entire FY17.

DEL requests an increased GF-S investment in the HVSA by \$2,979,000 in FY 16 and \$9,497,000 in F7 17 for a total of \$12,476,000 for Biennium 2015-17. The costs are broken down as follows:

SUSTAIN HOME VISITING: \$1,979,000 in FY16 and \$8,497,000 in FY17, as follows:

Salaries and Benefits: \$39,467 in FY16 and \$154,839 in FY17 for the following:

--Program Specialist 5: .25 FTE costing \$ 22,459 in FY16 and 1.0 FTE costing \$ 89,835 in FY17, to support the Home Visiting finance and sustainability workgroup, and to perform research and development of policies and practices for sustainability.

--Strengthening Families Washington Administrator: .04 FTE costing \$4,284 in FY16 and 0.15 FTE costing \$16,054 in FY17, to oversee the home visiting program (in addition to the community-based child abuse prevention and Children's Trust Fund).

--Home Visiting Project Manager: 0.13 FTE costing \$ 12,724 in FY16 and 0.5 FTE costing 48,940 in FY17, to oversee home visiting system development and implementation in partnership with Thrive by Five WA.

Please note that this decision package does not seek additional FTE for sustaining home visiting, because the agency already has FTE authority for these positions.

Intra-agency Reimbursements: \$12,866 in FY16 and \$50,478 in FY17 for indirect costs for agency administration and central services, calculated at 32.6 percent of salaries and benefits ( $\$39,467 \times 32.6\% = \$12,866$  for FY16,  $\$154,839 \times 32.6\% = \$50,478$  for FY17). This is for administration and management of the department including governance, executive management, fiscal operations, human resources, communications and outreach, government relations and agency information technology services. It is also for agency central services including space and utilities, data processing fees and equipment leases, communications, attorney general and audit services and other mandatory charges for services from the Department of Personnel and Department of Enterprise Services.

Professional Service Contracts: \$76,000 in FY16 and \$382,000 in FY17 for the following:

--\$5,500 in FY16 and \$22,000 in FY17 for the Help Me Grow services provided by Within Reach Washington which refers families to the home visiting program.

--\$3,750 in FY16 and \$15,000 in FY17 for facilitation of governance structure meetings.

--\$13,750 in FY16 and \$55,000 in FY17 for the national service office of the Nurse-Family Partnership organization for annual nurse consultant support fees and data purchases.

--\$10,000 in FY16 and \$40,000 in FY17 for purchasing Parents As Teachers data from the "Visit Tracker" data system.

--43,000 in FY16 and \$250,000 in FY17 for program evaluation.

Goods and Services: \$1,374 in FY16 and \$4,541 in FY17 for direct program goods and services, including training, supplies and materials and communications.

Travel: \$793 in FY16 and \$10,142 in FY17. In FY16, this assumes 2 nights of in-state travel for two staff members. In FY17, this

assumes 2 out-of-state trips to a national conference for 3 staff, 3 round trips to Seattle each month for 2 staff, and 2 overnight trips to more distant locations for site visits.

Client Service Contracts: \$ 1,848,500 in FY16 and \$ 7,895,000 in FY17 for the following:

- \$1,425,000 in FY16 and \$6,200,000 in FY17 for home visiting slots.
- \$11,000 in FY16 and \$45,000 in FY17 to support tribal home visiting capacity.
- \$325,000 in FY16 and \$1,300,000 in FY17 for Thrive by Five central administration of services, supports and technical assistance for home visiting services for local implementing agencies.
- \$87,500 in FY16 and \$350,000 in FY17 for data systems and analysis, reporting data quality improvement and continuous quality improvement.

EXPAND HOME VISITING: \$1,000,000 each fiscal year, as follows:

- Program Specialist 5: 0.50 FTE costing \$ 44,918 each fiscal year to support the Home Visiting finance and sustainability workgroup, and to perform research and development of policies and practices for sustainability.
- Administrative Assistant 3: 0.50 FTE costing \$ 29,555 each fiscal year.

Intra-agency Reimbursements: 24,278 each fiscal year for indirect costs for agency administration and central services, calculated at 32.6 percent of salaries and benefits ( $\$73,515 \times 32.6\% = \$23,304$ ).

Goods and Services: \$750 both fiscal years for direct program goods and services, including training, supplies and materials and communications.

Travel: \$1,000 each fiscal year assumes 2 nights of in-state travel and 1 round trip to Seattle each month for the PS5.

Equipment: an \$8,200 one-time expenditure in FY16 for necessary office furniture and equipment for the PS5 and AA3, primarily comprised of workstations, computer monitors and office chairs.

Client Service Contracts: \$ 890,924 in FY16 and \$ 899,124 in FY17 for the following:

- \$ 700,924 in FY16 and \$ 709,124 in FY17 for home visiting slots.
- \$ 95,000 in FY16 and \$ 95,000 in FY17 for Thrive by Five central administration of services, supports and technical assistance for home visiting services for local implementing agencies.
- \$ 95,000 in FY16 and \$ 95,000 in FY17 for data systems and analysis, reporting data quality improvement and continuous quality improvement.

DEL assumes that the GF-S dollars in this request would be appropriated into the Home Visiting Services Account if this decision package is adopted.

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

FY16 equipment costs are one-time. If DEL does not receive the MIECHV competitive grant for Federal Fiscal Year (FFY) 15 at current funding levels, all costs listed for FY17 are assumed to be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	82,832	168,637	251,469
B Employee Benefits	31,108	60,675	91,783
C Professional Svc Contracts	76,000	382,000	458,000
E Goods\Other Services	2,499	5,666	8,165
G Travel	1,793	11,142	12,935
J Capital Outlays	8,200		8,200
N Grants, Benefits & Client Services	2,739,424	8,794,124	11,533,548
T Intra-Agency Reimbursements	37,144	74,756	111,900

**Total Objects**

**2,979,000**

**9,497,000**

**12,476,000**

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** N7 Enterprise Data Reporting System  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

The Department of Early Learning (DEL) requests funding to create a strategic enterprise data reporting capability through the development of a data warehousing based reporting system. Producing reports to support both day to day and State Executive and Legislative program mandates requires extensive manual effort and time, due to inconsistencies between the systems, data feeds and design limitations of the overall data architecture. The individual systems that support DEL's mission are not intended nor designed to provide a reporting capability that meets these program needs. Legacy systems outside of DEL, as well as increasing program mandates have resulted in inefficient and ineffective use of agency resources generating what should be readily available information for management usage and decision-making. A data warehousing based architecture will enable DEL to provide reliable and accurate reports for analysis, fraud management, field operations, public disclosure and legislative inquires, as well provide DEL leadership with improved data driven decision-making capabilities. DEL requests \$3,843,020 in General Fund-State (GF-S) funding.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	2,401,507	1,441,513	3,843,020
<b>Total Cost</b>	<b>2,401,507</b>	<b>1,441,513</b>	<b>3,843,020</b>
<b>Staffing</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Annual Average</u></b>
FTEs	1.0	2.0	1.5

**Package Description:**

Background

In an effort to improve DEL's ability to meet Race to the Top-Early Learning Challenge, (RTT-ELC) program goals and objectives the Gates Foundation funded a study to review the systems and processes in place for managing data. The study provided a Systems Architecture Improvement Roadmap detailing an integrated data environment that will more efficiently, effectively and accurately meet the needs of the various Early Learning programs.

The secondary purpose is to produce a set of organizational-related recommendations that if implemented, would assist DEL to effectively manage its systems environment. This includes recommendations related to roles, responsibilities, process redesign, system development planning, change management etc.

Since its establishment in 2006, DEL has contracted with a third party analytics vendor to meet mandated monthly and annual reporting mandates. This process is costly and cumbersome and only selected reporting needs are addressed by this temporary solution. Daily operational reporting is severely limited to include a minimal amount of data, and is available only on a fractured program by

program basis.

## Current Situation

The current environment is a series of fractured programs and support systems that generally focuses separately on licensing and/or subsidy components of DEL's broad early learning mission. As a relatively new agency (est. 2006), individual programs and reporting requirements have expanded piecemeal, with the addition of state executive and legislative mandates. Over time the ability to maintain programs in this manner has become unsustainable. Continual, ongoing needs for program enhancements, new transactions to address data sourced from other agencies, and the lack of a viable enterprise wide reporting system that supports decision making is challenging. The resulting lack of easily accessible data impacts all aspects of the agency from field operations, including all members of the provider community, through periodic reporting for regulatory compliance. Additionally, third party organizations, both governmental and non-governmental, that also rely on DEL generated data, lack timely access to useable data. This greatly impacts all parties' ability to make sound, data driven decisions regarding early learning. Without the ability to efficiently access and analyze the data collected through DEL's various systems, we as a state will never truly be able to determine the effectiveness of Washington's early learning rules, regulations, and programs.

The previously mentioned constraints impact all DEL program and systems, which include:

- Early Learning Management System (ELMS) - Managing Early Childhood Education Assistance Programs (ECEAP)
- Managed Education and Registry Information Tool (MERIT) system-Tracking providers and professionals participating in Early Achievers (EA)
- Web-based Early Learning System (WELS) - Tracking and reporting provider Early Achiever ratings
- Social Services Payment System (SSPS), ACES, BARCODE - Managing and disbursing subsidy payments
- FamLink - Licensed provider system
- Early Support for Infants and Toddlers (ESIT) - Managing DEL's infant and toddler early intervention program
- Attendance Billing and Childcare System ABCS- Managing and disbursing subsidy payments (future)

Specific root causes include:

- Lack of consistency in data definitions and quality
- Lack of an enterprise wide data architecture to support DEL agency goals, objectives and compliance reporting requirements
- Lack of capability to provide both program specific and enterprise wide timely operational data
- Lack of flexibility and timeliness in responding to ad-hoc data requests from governmental and non-governmental organizations

## Proposed Solution

DEL requests \$3,843,020 in general fund-state (GF-S) expenditure authority to develop and implement a DEL agency enterprise data warehousing system. An integral requirement of the new system will be to provide DEL with the ability to satisfy a broad base of data needs required by a wide range of stakeholders, business analytics and end users that represent agency and public needs. The new reporting system will enable access to reliable and accurate reports for data analysis, workload management, fraud management as well as public disclosure requests or legislative inquires. The proposed solution is scalable, flexible and consistent with the direction of other state agencies data warehousing approach to enterprise data management.

Additionally, this proposed solution aligns with the Federal guidance for moving towards a Statewide Longitudinal Data Systems (SLDS) Early Childhood Integrated Data System (ECIDS). An ECIDS does not replace the P-20W data warehouse, but rather supplements it by integrating data across early childhood programs and then connecting the data to the P-20W data warehouse. The primary difference between an ECIDS and a P-20W is the scope-the sectors that are included. An ECIDS brings together data from multiple early childhood programs and agencies. A P-20W brings together data from numerous sectors, one of which is usually early childhood. In turn, an ECIDS is designed to answer questions focused on early childhood and a P-20W is designed to answer questions that span more than one sector. Washington State participated in creating the ECIDS self-assessment and subsequent guide which was made possible by the Institute of Education Sciences (IES) SLDS Grant Program.

In keeping with Lean practices ,the DEL Enterprise Data and Reporting System project is designed in agile phases which enables flexibility in determining project priorities, cost, schedules and resources once the initial data HUB environment is set-up. Once operational, reporting system enhancements, addition of functional programs areas or new regulatory mandates can be managed through prioritization and program funding levels.

The initial investment is associated to software product licenses related to Business Intelligence and Reporting tools which provide the infrastructure for the system. DEL would like to leverage existing contracts and educational software pricing when possible, which may reduce costs. Through solid partnerships with the Office of Financial Management (OFM) Education Research and Data Center (ERDC), DEL will be able to leverage many of their tried and true techniques and best practices for implementing and utilizing industry standard tools that provide these features:

- Business Intelligence and report tools
- Advanced analytic tools (linked to "Big Data" engine)
- Data Movement tools for Extract, Transform and Load (ETL)
- Data Governance tools to support data quality, metadata, master data management and lineage
- Database Management System software

Funding this project will also provide better quality data to the ERDC for inclusion in the P-20W data warehouse, which will reduce the amount of manual intervention by analysts staffing the project at OFM. DEL will be able to contribute expanded data sets for early learning programs to the ERDC which leads to greater transparency of educational data to the public. Additionally, DEL could greatly enhance the data sets provided to the data.wa.gov open data portal. Which could also lead to private citizens or companies creating mobile applications with the data made available.

## **Narrative Justification and Impact Statement**

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

The Department expects to develop an enterprise data reporting system that will:

1. Allow for timely generation of flexible operational reports, (production and ad-hoc);
2. Facilitate the ongoing alignment of child care center licensing standards to current science and evidence-based standards with collaboration from constituents and stakeholders;
3. Create a capability for data-driven decision-making in child development, health, and safety for school-age, center, and licensed family home care facilities;
4. Improve data integrity, quality and reliability for all users; and
5. Create significant workload efficiencies through the creation of a self-service user capability which includes business analysts, end users, other agencies and partner organizations.

## **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?***

Yes, the resulting data and reporting capabilities will align with the objectives outlined in goals #1: Provide voluntary, high-quality early learning information and opportunities for children and families of Washington, #2: Support all early learning professionals with research-based professional development and resources to ensure high-quality early learning opportunities, #3: Build public awareness of and support for high-quality early learning opportunities, and #4 Promote system excellence by ensuring DEL is well-managed and supportive of its employees.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

Yes, this decision package supports the following goals from to Results Washington, A New Strategic Framework; World-Class Education, Healthy and Safe Communities, and Efficient, Effective and Accountable Government.

--World-Class Education - The brain is built and sculpted during the first five years of life. Every interaction is a brain-building

moment for children from birth. The first five years are also the time to build the foundation of whole-child development that will help children's brains flourish and thrive in healthy bodies, nurtured in safe and stable relationships by their families, and supported in safe and welcoming environments by communities. In order to help children maximize their potential during this time of rapid development the Department of Early Learning must develop an effective means of monitoring and studying the effectiveness of early learning programs in Washington. The Enterprise Data and Reporting System (EDRS) will allow for more robust research and analysis of early learning program models and outcomes data by linking the data across our various programs which are currently fractured therefore allowing for easier means of longitudinal studies. The data from the EDRS will be shared with the Office of Financial Management (OFM) Education Research and Data Center (ERDC) for inclusion in the P-20W data warehouse which increases data transparency. EDRS will track performance goals for Results Washington and DEL performance measures. EDRS will help to increase the percentage of children enrolled in high-quality early learning programs by providing the data necessary to help create and support effective high-quality programs and the transparency needed to encourage participation in those programs.

--Healthy and Safe Communities -DEL is responsible for the licensing of child care facilities. The information collected from site visits and the collection of complaint data assist the public in their selection of the best child care facility for their children. The EDRS will allow for more robust research and analysis of health and safety data by linking the data across our various programs which are currently fractured therefore allowing for easier means of longitudinal studies. Data can be utilized to create a foundation of evidence-based science in child development, health, and safety for school-age, center, and licensed family home care. Advanced risk modeling, key indicator development, and weighted licensing standards along with early warning systems are key deliverables of this project.

--Effective and Accountable Government - This decision package supports the Governor's priorities to align with Lean practices designed to eliminate waste and improve government services. Funding this project will also provide better quality data to the ERDC for inclusion in the P-20W data warehouse, which will reduce the amount of manual intervention by analysts staffing the project at OFM. DEL will be able to contribute expanded data sets for early learning programs to the ERDC which leads to greater transparency of educational data to the public. Additionally, DEL could greatly enhance the data sets provided to the data.wa.gov open data portal. Which could also lead to private citizens or companies creating mobile applications with the data made available.

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

Creating an enterprise reporting system will provide DEL with a flexible, efficient, and reliable system which supports the Priority of Government to improve the adequacy of tools and resources to execute government functions. The new system will improve healthy behaviors and mitigate environmental hazards by ensuring that provider WAC violations are reported and tracked appropriately so that Washington's children are not exposed to unhealthy or dangerous environments while in a licensed provider's care. The ability to use data-driven decision making as a result of reliable data supports the health and safety of children.

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

The Gates Foundation funded study identifies this proposed Enterprise Warehouse system as the recommended approach for meeting DEL's current and future reporting needs. Alternative approaches are piecemeal, leaving the overarching agency needs unresolved.

***What are the consequences of adopting or not adopting this package?***

1. Mandatory reporting requirements will become more difficult to meet as program goals evolve, demanding more complex insights and solutions.
2. Continued fractured approach to solutions that are ineffective from an agency wide perspective.
3. Increased complexity satisfying data needs to support agency decision-making.
4. Fraud management will continue to be a manual based effort constrained by the lack of data quality and timeliness, limiting the collection and analysis of data.
5. Complex data analysis will remain incomplete due to unreliable data, hampering DEL's ability to perform analytics, risk modeling, and the reliable generation of current and future key performance indicators.

***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***

\$2,401,507 of GFS in Fiscal Year 2016 and \$1,441,513 in Fiscal Year 2017 for a total of \$3,843,020 in 2015-17.

FTE, Salary and Benefits: In Fiscal Year 2016, 1.0 FTE Information Technology Specialist 5 (ITS5) Data Architect would be hired at a cost of \$104,643 each fiscal year to define standards for naming, describing, governing, managing, modeling, cleansing, enriching, transforming, moving, storing, searching and delivering all data within the enterprise. In addition, the ITS5 would serve as the liaison between data consumer representatives and data solution development. In Fiscal Year 2017, an additional 1.0 FTE Information Technology Specialist 5 (ITS5) Data Architect would be hired at a cost of \$104,643 each fiscal year to do perform the same duties.

Personal Service Contracts: \$1,200,000 in FY16 and \$600,000 in FY17 for consulting services for implementing data warehousing and best practices.

Goods and Services:

FY2016: \$1,057,250, comprised of:

- \$703,000 for software license costs
- \$300,000 for software annual maintenance costs
- \$3,500 for specialized IT training
- \$50,000 for CTS data fees, and
- \$750 for direct program goods and service related to the ITS5 FTEs (supplies and materials, communications and standard training).

FY2017: \$557,500, comprised of:

- \$9,000 for software license costs
- \$480,000 for software annual maintenance costs
- \$7,000 for specialized IT training
- \$60,000 for CTS Data fees, and
- \$1,500 for direct program goods and service related to the ITS5 FTEs (supplies and materials, communications and standard training).

Travel:

- \$1,000 in FY2016 and \$2,000 in FY2017

Intra-agency Reimbursements: \$34,114 in FY2016 and \$68,227 in FY2017 for indirect costs for agency administration and central services, calculated at 32.6 percent of salaries and benefits ( $\$104,643 \times 32.6\% = \$34,114$  in FY2016,  $\$209,286 \times 32.6\% = \$68,227$  in FY2017). This is for administration and management of the department including governance, executive management, fiscal operations, human resources, communications and outreach, government relations and agency information technology services. It is also for agency central services including space and utilities, data processing fees and equipment leases, communications, attorney general and audit services and other mandatory charges for services from the Department of Personnel and Department of Enterprise Services.

Equipment: \$9,000 for office furniture and equipment for the ITS5s (\$4,500 each fiscal year).

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

One-time costs include:

- Software license costs totaling \$703,000 in Fiscal Year 2016 and \$8,000 in Fiscal Year 2017.
- Personal service contracts totaling \$1,200,000 in Fiscal Year 2016 and \$600,000 in Fiscal Year 2017
- \$4,500 for office furniture and equipment for the initial ITS5 in Fiscal Year 2016 and \$4,500 for office furniture and equipment for the additional ITS5 in Fiscal Year 2017.

All other costs are ongoing.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
A Salaries And Wages	78,900	157,800	236,700
B Employee Benefits	25,743	51,486	77,229
C Professional Svc Contracts	1,200,000	600,000	1,800,000
E Goods\Other Services	1,057,250	557,500	1,614,750
G Travel	1,000	2,000	3,000
J Capital Outlays	4,500	4,500	9,000
T Intra-Agency Reimbursements	34,114	68,227	102,341
<b>Total Objects</b>	<b>2,401,507</b>	<b>1,441,513</b>	<b>3,843,020</b>

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** N8 Early Intervention  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

Since 2006, the Early Support for Infants and Toddlers (ESIT) program at the Department of Early Learning has seen approximately 35 percent growth in the identification and participation of children in need of early intervention services, while we have seen a growth of only 12 percent in federal funding to pay for these services. DEL requests a total of \$4,000,000 for Biennium 2015-17 for regional client services contracts. With this investment in resources, the state will be able to continue to meet its obligation under IDEA, Part C to provide specific early intervention functions or services that "must be provided at public expense for which no fees can be charged," and to meet the needs of an increasing number of children identified for ESIT. In addition to the increasing numbers of children identified, the Department of Education has also instituted more rigorous performance outcomes for early intervention programs. These additional funds will enable children and their families to gain access to necessary direct services so that federally-required child and family outcomes will be achieved.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	2,000,000	2,000,000	4,000,000
<b>Total Cost</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>4,000,000</b>

**Package Description:**

DEL requests a total of \$4,000,000 for regional client services contracts. With this investment in resources, the state will be able to continue to meet its obligation under IDEA, Part C to provide specific early intervention functions or services that "must be provided at public expense for which no fees can be charged," and meet the needs of an increasing number of children identified for ESIT. In addition to the increasing numbers of children identified, the U.S. Department of Education has also instituted more rigorous performance outcomes for early intervention programs, which these increased funds will help local providers achieve.

IDEA Part C early intervention is charged with coordinating federal, state, and local funding streams (including public and private insurance) to support the infrastructure, service delivery, and support needs of eligible infants and toddlers with disabilities and their families. These functions or services are provided to children and families by a variety of types of organizations, including: local community-based early intervention programs (nonprofits), neurodevelopmental centers, school districts, health departments, and others.

The federal Individuals with Disabilities Education Act (IDEA), Part C defines certain early intervention "coordination" functions or services that "must be provided at public expense for which no fees can be charged" (34 CFR 303.521(b) Functions not subject to

fees). These functions or services include:

- Child Find and public awareness activities (34 CFR 303.301 and 303.302);
- Evaluation and assessment to determine eligibility and provide services (34 CFR 303.321);
- Service Coordination, known as Family Resources Coordination (34 CFR 303.34);
- Development, review and evaluation of the Individualized Family Service Plan (IFSP, 34 CFR 303.342, 303.343, 303.344); and
- Implementing Procedural Safeguards that protect parent rights (CFR 303.400 - 303.449).

There are other direct services that are provided locally by other state and/or local agencies, which DEL does not administer. In addition to the coordination services listed above, there are other direct services which local entities provide to eligible children and families without DEL funding. These include:

- Physical therapy,
- Occupational therapy
- Speech therapy,
- Behavioral health therapy,
- Social work,
- Nutrition, and
- Special Instruction, etc.

Federal Part C funds are allocated to states using a population-based methodology which does not take into account the actual number of children served. While the federal IDEA Part C allocation has increased over the years, it has not kept pace with the number of children receiving coordination services that "must be provided at public expense."

The state will be able to continue to have a statewide system of early intervention services and programs that helps reduce educational costs to the state by reducing the need for special education services for, on average 1,500 children each year. This investment could also assist DEL to meet changes in ESIT enrollment in the future.

Each year, the majority of eligible toddlers that exit services at age 3 either demonstrate they have substantially increased their rate of growth or they are functioning within age expectations. Some children (about 30 percent, or 1,500 children each year), make sufficient progress that they do not qualify for special education at age 3. This means that a significant number of children are able to attend preschool with their "general education" peers, at considerable savings to the state and federal government. These additional costs would have otherwise been picked up by IDEA Part B special education preschool program for 3 to 5 year olds. In order for toddlers to experience this type of progress, community-based services across the state must be accessible to families.

State funding is needed for Local Lead Agency contractors who either ensure or provide the coordination services that must be provided at public expense (Child Find/early identification; evaluation/assessment/eligibility determination; IFSP implementation and evaluation; parent procedural safeguard and rights).

This funding request of \$4,000,000 for the 2015-17 biennium would return the per child allocation to a level closer to the 2004 allocation. On December 1, 2004, our child count was 3,848 and on December 1, 2013 the number had increased to 6,080. This growth in children served, under flat funding levels, caused the per child allocation to drop from \$1,790 to \$1,240, a decrease of \$550 per child. DEL has chosen 2004 as a baseline because it was after this time that program growth began to exceed the capacity of the federal allocation. The funding will also ensure that the coordination services that must be provided at public expense occur as required in communities statewide.

## **Narrative Justification and Impact Statement**

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

With this additional investment, Washington will be able to meet its federal requirements for coordination services, which will improve access to direct services enabling children and their families to meet their outcomes. Due to these direct services being provided, infants and toddlers will demonstrate improved positive social-emotional skills including social relationships; acquisition of knowledge and skills including early language/communication; and use of appropriate behaviors to get their needs met. Family outcomes will be achieved because families participating in IDEA, Part C early intervention services will be able to effectively communicate their

children's needs and will be able to help their children develop and learn. These are the outcomes Washington is held accountable to meet each year under the IDEA Part C federal statute when it accepts federal funds each year. The application for federal early intervention funds Washington submits each year and the federal regulations that direct the use of these funds can be found at 34 CFR 303.1 Purpose of the early intervention program for infants and toddlers with disabilities.

## **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?***

Yes,

Objective 1.3 Support healthy development in strong families through DEL programs and policies. Objective 2.2 Incorporate emerging brain, relationship, and developmental science into state policies and procedures.

Objective 3.3 Strengthen the capacity of families and communities to advise and inform statewide early learning policies.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

Yes, World Class Education and Healthy and Safe Communities. Infant toddler early intervention child and family outcome data reflect children are making greater than expected progress and families can communicate their children's needs and are helping them develop and learn.

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

Universal Development Screening Project. This multiagency project, facilitated by DOH, has a key focus on each child's medical home that integrates developmental screening into a primary care providers' practice. Where pilot projects have been implemented, referrals to early intervention have increased. This decision package will help meet needs identified through developmental screening and referral to services.

Newborn Hearing Screening. Through improved follow-up, fewer children identified with hearing loss will be denied early intervention services. Every birth hospital in Washington now performs newborn hearing screening. ESIT finalized a data sharing agreement with DOH/Early Hearing, Detection, Diagnosis, and Intervention Program (EHDDI), and is now receiving direct referrals from DOH/EHDDI. This decision package will help meet needs identified through newborn hearing screening and referral to services.

Home visiting for at risk children and families. When it is determined that home visiting program services are not sufficient to meet the developmental needs of the infant and family, referral to early intervention will need to occur and demand for program services will increase and home visiting services will increase.

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

We have maximized the federal allocation Washington receives each year in order to provide these services. We have explored Medicaid as a funding source for coordination services and direct services. We continue to explore Medicaid as an option, and in the MTCC Decision Package, DEL is requesting a staff person to help DEL navigate potential Medicaid funding. In Washington, currently only 5 percent of early intervention revenue comes from Medicaid, based on our 2012 cost study. Meanwhile, in other states, Medicaid is the primary source for early intervention funding. Other states report that more than 50 percent of their revenue for all services comes from Medicaid.

In the past, we have been asked to explore redistributing current ESIT funds to those counties which have seen the largest increase in enrollment. We have not pursued this path because we are required to provide equitable access to all 39 counties and to recognize that every community must have a "floor" of funding in order for local lead agencies to exist to provide the services.

### ***What are the consequences of adopting or not adopting this package?***

If we do not make this investment now, we will weaken the statewide early intervention system: we may have to consider eligibility changes that reduce the number of children and families served; we may not be able to provide the assurance that children and families have access to services; and we may no longer be able to identify all children and families who could benefit from ESIT. The state funding is needed to ensure that these essential services are available statewide. Federal funding alone is no longer sufficient to meet the growing needs of children and families.

***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***

Client Service Contracts: \$2,000,000 each fiscal year in Client Services Contracts to ensure that Local Lead Agencies which serve each geographic area of the state have the capacity to provide the following required services:

- Implementing the Child Find and Public Awareness requirements;
- Evaluating and determining IDEA, Part C eligibility;
- Coordinating services (Family Resources Coordination);
- Developing and reviewing Individualized Family Service Plans; and
- Implementing procedural safeguards/parents rights under IDEA, Part C.

For FFY 2005, the total federal allocation for ESIT Client Service Contracts totaled \$6,888,519. The statewide December 1 child count for 2004 totaled 3,848. That equaled to a per child allocation of \$1,790.

For FFY 2014, the total federal allocation for ESIT Client Service Contracts totaled \$7,538,655. The statewide December 1 child count for FFY 2014 totaled 6,080, a 63% increase from 2005. That equaled to a per child allocation of \$1,240, a 28% reduction from 2005 (or a reduction of \$550 per eligible child).

Because more children are being referred to early intervention and determined eligible, federal funding is no longer sufficient to cover the costs of the services that must be provided at public expense and that are delivered through ESIT Client Service Contracts. To bring the per child allocation up to FFY 2004 levels, an additional \$6,688,000 in state funds is needed for Biennium 2015-17. Because enrollment will continue to increase and because the cost for services that must be provided at public expense will continue to increase, these additional funds are needed to ensure children and families receive the services that must be provided at public expense.

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

All costs are ongoing. A more progressive approach to Medicaid funding for early intervention services needs to be explored and developed. While approximately 55% of early intervention eligible children are Medicaid eligible, only 5% of early intervention services are reimbursed by Medicaid. Medicaid is underutilized as a fund source for evaluation/assessment, service coordination direct early intervention services. As Medicaid is accessed to pay for early intervention services, there will be an impact on the state general fund for federal match at a rate of 50/50.

This request will not return per child rates to 2004 levels, but in the ensuing biennium DEL intends to request funds to bring the per-child rate back to 2004 levels.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
N Grants, Benefits & Client Services	2,000,000	2,000,000	4,000,000

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** N9 Replace Electronic Licensing System  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

The Department of Early Learning (DEL) requests \$675,000 to replace its Electronic Licensing Forms (ELF) system with a reliable, Commercial Off-The-Shelf (COTS) system.

The ELF system has not provided the flexibility required to modify licensing forms to keep current with legislation and rule changes and has not met the needs of DEL. The current ELF system has not met performance expectations and has resulted in innumerable licensor hours, inaccurate data, incomplete licensing records, inability to conduct data analysis, strained community relations, and exposed DEL to potential litigation.

A new ELF system will enable DEL to provide reliable and accurate reports for data analysis, workload management purposes, and public disclosure requests or legislative inquires. This will better serve our communities and align with the Washington State Early Learning Plan, Strategy 22 which calls for an effective data system to allow for weighted licensing standards.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	525,000	150,000	675,000
<b>Total Cost</b>	<b>525,000</b>	<b>150,000</b>	<b>675,000</b>

**Package Description:**

Background

In an effort to achieve its goals of data accuracy, consistency in licensing, improved customer relations, agency transparency, and workload efficiency, DEL purchased an Electronic Licensing Forms system in 2010, and began using the electronic forms in 2011. The goals of implementing the ELF system were to replace licensor's use of paper forms in the field, and to establish a better, more complete licensing database for the public and DEL.

Child care center licensing standards were last fully updated in 2004 and the ELF system and its licensing forms were designed to align with those standards. Since that time, the science and evidence-based practices in early learning and child care has grown substantially. DEL updated family child care and school age rules in 2012 to these standards and further standards updates are underway which has created a need for the ability to easily and cost-effectively update and redesign forms as standards change.

## Current Situation

The current system has not met the needs of the Department due to an inability to modify licensing forms in a timely manner. This lack of flexibility can cause licensing forms to be out-of-date with current legislation and agency rule changes. Licensors are still required to perform site evaluations with these outdated forms while waiting for updates to be processed, leading to possible litigation concerns. The most recent WAC changes requiring updates to ELF licensing forms took over 30 days to implement. In order to fully align with current standards most of the existing forms will need to be redesigned. The cost to redesign all of the forms has been estimated at a minimum of \$150,000. The estimate only covers the current vendor's efforts and does not include the cost in DEL staff time. This is a cost that would be repeated each time the standards need to be realigned.

Additionally, data is not consistently transferring from licensor tablets to the central database causing an increased work load for licensors, and negative impact on participation in licensed child care facilities. In the event of incorrectly transferred data, licensors will have to repeat site visits to recapture information missed in the data transfer, putting unnecessary strain on the relationship between DEL and child care providers and creating unnecessary increased workloads.

Hampered system functionality currently impacts three separate systems: Wireless Webforms (WW), Child Care Information System (CCIS), and Child Care Check (CCC). When data does not transfer completely from the licensors tablet to the database the information displayed in CCIS and CCC can be incorrect. This is particularly troublesome as CCC is the public site used to view information on licensed child care providers. The information in CCC is critical for the licensee as it reflects their licensing history and accuracy of licensing information. The CCC information is also an integral resource (along with the DEL-funded family resource center operated through Child Care Aware of Washington) for parents who are seeking out child care options and need accurate data to make appropriate decisions for their child's program.

## Proposed Solution

DEL requests \$675,000 in General Fund-State (GF-S) expenditure authority in Biennium 2015-17 to replace the current ELF system for 2015-17 with ongoing annual costs for licensing, support, and maintenance of \$150,000 starting in FY18 (Biennium 2017-19). An integral requirement of the new system will be the ability for DEL to modify forms on demand thus eliminating the delay between a regulation change and the form update. With a new software system, DEL will also be able to pull reliable and accurate reports for data analysis, workload management purposes, public disclosure requests or legislative inquires. This will better serve our communities and meet DEL's agency needs. There is one year left on the contract with the current vendor and to ensure a seamless transition it is critical to begin the process of securing a new, more flexible and dependable software program.

## **Narrative Justification and Impact Statement**

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

Replacing the ELF system will:

1. Allow for timely updating of electronic licensing forms that DEL licensors use to monitor and address compliance. The current system requires at least a month for form updates; the new system will allow for form updates to be completed within 5 business days of the request.
2. Improve data integrity, licensor workload efficacy and mobility, customer service, licensing accuracy and consistency, and the reliability and transparency of licensing information for the public. The new system will provide ad-hoc reports allowing DEL to validate the accuracy of the data and ensure that the data displayed in CCIS and CCC matches the finalized licensing inspection data 100%.
3. Reduce the number of hours licensors waste re-conducting site visits due to bad data transfers by 95%. The new system's reliable transfer method will eliminate the need to repeat site visits to recapture lost data.
4. Create a foundation of evidence-based science in child development, health, and safety for school-age, center, and licensed family home care. Having reliable data will allow DEL to work on advanced risk modeling, key indicator development, and weighted licensing standards.

## **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?***

Yes. This decision package is essential to agency strategic plan goals one (provide voluntary, high-quality early learning information and opportunities for children and families of Washington), Objective 1.5 (Maintain high standards in licensed child care because health and safety are the foundation of quality). Replacing the ELF system would enable DEL's initiative to use data-driven decision making around monitoring and quality indicators. This proposal aligns with the Washington State Early Learning Plan (ELP) Child Care Licensing Strategy #22 for weighted licensing standards which states, "For each licensing standard in the Washington Administrative Code (WAC), determine a weighted value that is associated with a level of potential risk, based on data and evidence. The weighted standards will provide a consistent way to identify the level of risk in a child care setting to inform licensing decisions. This approach will require an effective data system and analysis of licensing standard to develop a risk model for child care programs. It also supports Race to the Top - Early Learning Challenge (RTT-ELC) and DEL as a whole in government efficiency and transparency, and aligns with RTT-ELC goals for WA to:

1. Establish successful state programs.
2. Define high-quality, accountable programs.
3. Measure outcomes and progress.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

Yes. This decision package supports the Governor's priority to align with Lean practices designed to eliminate waste and improve government services. This decision package also supports the Governor's priorities to increase/maintain customer service satisfaction with accuracy, timeliness, and respectfulness and increase/maintain timely delivery for state services.

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

1. Changes to licensing forms take a minimum of a month for the current vendor to update. Changes to licensing regulations and rules can often go into effect in less than a month which means that licensors are forced to conduct inspections with outdated forms. If a licensee is found in violation of one of the new regulations and an outdated version of the Compliance Agreement is used, the signed incorrect information about the violation could be reported. This could have legal implications.
2. Inaccurate data in CCC as a result of data not transferring appropriately from the licensors tablets to the database could lead to litigation if decisions are made based on bad data. For instance, if a parent placed their child with a provider who was inappropriately listed with "No Valid Complaints" and the child was exposed to a dangerous environment, the parent could file a lawsuit.

Both of these situations could result in costly litigation.

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

The agency has explored developing a new solution in house however due to the lack of available development staff and expertise with this particular type of software it is likely to take an extended amount of time to build, test and implement an internal system. The OCIO has also directed state agencies to use COTS systems if they are available. Keeping the current solution was also considered but the inflexibility and potential legal ramifications make that option unadvisable as well.

### ***What are the consequences of adopting or not adopting this package?***

1. Licensors will be forced to use outdated forms for inspections while waiting for form updates.
2. Licensing forms will either continue to not be aligned with current standards or DEL will need to spend at least \$150,000 to get the forms aligned.
3. DEL will be required to rely upon the vendor to make and charge for forms changes rather than making these changes in-house.

- 4. Inaccurate data regarding child care providers may be available to the public.
- 5. Work hours will continue to be wasted and agency/licensee relations strained when site visits have to be repeated due to incomplete data transfers.

Complex data analysis will remain incomplete due to unreliable data, hampering DEL's ability to advance risk modeling, key indicator development, and weighted licensing standards and potentially impacting data driven decisions.

***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***

Professional Service Contracts: \$525,000 in FY16 and \$150,000 for FY17.

FY16: Based on previous vendor responses and current market research we anticipate the initial licensing cost to be approximately \$150,000. Interface and web service development as well as COTS customization will cost \$200,000. Vendor project initiation, quality assurance, and integration testing are expected to cost \$100,000. Application hosting, installation, and training should cost \$75,000.

It is assumed that DEL will redirect the existing personal service contract funding for ELF annual licensing and maintenance costs towards maintenance and support of the new system once implemented. Market research and previous vendor responses indicate on-going costs for the enhanced solution to be twice the amount we have dedicated and we are asking for \$150,000 in general fund-state (GF-S) expenditure authority each fiscal year to cover the difference.

FY17: \$150,000 for annual licensing and maintenance costs. This assuming \$25,000 per month (\$25,000 x 12 = \$300,000), of which DEL will redirect \$150,000 in existing federal Child Care and Development Fund (CCDF) dollars towards the annual costs, so this decision package only requests \$150,000 in new GF-S funds for this component.

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

All FY16 costs are one-time, to purchase and implement a replacement system for the Electronic Licensing Forms system (ELF) currently in use at DEL. Ongoing costs are estimated to be \$300,000, (\$25,000 per month), \$150,000 of which would be covered for licensing and maintenance based on previous vendor responses to Requests for Proposals (RFP's.) This would include a full-time Help Desk during normal DEL business hours provided by the vendor.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
C Professional Svc Contracts	525,000	150,000	675,000

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** 00 Restore Child Mental Health Svcs  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

The Department of Early Learning (DEL) requests \$4,304,000 in General Fund State (GF-S) appropriation authority in Biennium 2015 17 in order to cover the federal share of the Center-Based Intensive Intervention Preventive Services for Young Children (CBIIPSYC) program, formerly the Medicaid Treatment Child Care (MTCC) program. The Department originally received federal appropriation authority of \$2,152,000 in FY14 and \$2,152,000 in FY15 for Biennium 2013-15, which was included in the agency carry forward level for Biennium 2015-17, but DEL cannot use this appropriation authority due to a federal disallowance of Medicaid reimbursement for MTCC.

In addition, DEL requests funding for a contract to continue collection of approved federal Medicaid funding for intensive intervention and preventative services, and to assist DEL in creating a comprehensive Medicaid strategy for Birth to Three and early learning services. DEL requests \$220,000 GF-S for Biennium 2015-17, for a total of \$4,524,000 GF-S overall for this request.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	2,262,000	2,262,000	4,524,000
<b>Total Cost</b>	<b>2,262,000</b>	<b>2,262,000</b>	<b>4,524,000</b>

**Package Description:**

DEL requests \$4,304,000 to cover the federal share of costs under the Center Based Intensive Intervention Preventive Services for Young Children (CBIIPSYC) program for Biennium 2015-17. DEL requests this funding in an effort to secure continuity of services for the children and families enrolled in this program as we move forward in the development of an approved Medicaid state plan amendment (SPA).

DEL was designated as the lead agency for the MTCC program effective July 1, 2011 per 2ESHB 1087 (2011 13 Operating Budget). Prior to being transferred to DEL, the Department of Social and Health Services (DSHS) Children's Administration (CA) administered the MTCC program. The MTCC program operated in Washington State for more than 20 years, until the disallowance.

Since the time of the disallowance, HCA and DEL have worked to submit two different SPAs to the federal Center for Medicare/Medicaid Services (CMS), both of which have been rejected. In January of 2014, rules under the Affordable Care Act have created a new category of allowable expenditures under the federal Medicaid program. The new category, "Intensive Intervention and Preventative Services," allows billing for services that have in the past been provided under MTCC, and, based on the recent

successful example of Applied Behavior Analysis (ABA) designation, for also serving children with autism. DEL and HCA predict success with a new SPA for MTCC-like intensive intervention and preventative services.

To allow additional time for DEL and HCA to develop an approved Medicaid SPA to provide federal funding for intensive intervention and preventative services, DEL requests GF-S expenditure authority in the amount of \$4,304,000, to replace the federal Medicaid funding for Biennium 2015-17. Assuming that Washington's Medicaid SPA will be approved by June, 2015 (with funding authority reaching back to October 1, 2014), DEL and HCA would only use 3 months of this funding for July, August, and September, 2015 (the first 3 fiscal months of FY2016). If the SPA is not approved, DEL would need to use more of the funding.

Going forward, the MTCC program will be called Center-Based Intensive Intervention and Preventive Services for Young Children (CBIIPSYC).

CBIIPSYC is a center-based intensive intervention and preventative services program serving children 0 5 years of age who have experienced biological, familial, and environmental risk factors such as fetal exposure to substance abuse, or other types of abuse and/or neglect and require family centered child focused mental health services in a therapeutic early learning center. The CBIIPSYC program provides medically necessary psycho social services to young children who were born drug-affected or are experiencing toxic stress, demonstrating challenging behavior, living in at risk situations, needing mental health treatment in an early learning environment, and needing family centered services.

CBIIPSYC provides case management, counseling and family therapy and day treatment for children and families experiencing a variety of behavioral health needs.

CBIIPSYC services are provided year-round by two agencies that currently contract with DEL. The community based programs in Washington are Childhaven in King County and Catholic Family and Child Services in Yakima County. Approximately 300 children and their families receive CBIIPSYC services, which include therapeutic play, individual and family counseling, group therapy, facilitated psycho educational groups for caregivers, daily door-to-door transportation services and monthly home visits.

In addition, DEL requests funding for a contract to continue collection of approved federal Medicaid funding for intensive intervention and preventative services, and to assist DEL in creating a comprehensive Medicaid strategy for Birth to Three and early learning services, comprised of Early Support for Infants and Toddlers (ESIT), Home Visiting, Community-Based Grants for the Prevention of Child Abuse and Neglect (CBCAP), Infant-Toddler Consultation, Reach Out and Read, nutrition and physical activity support, health and developmental screenings, including vision screening, and other services.

## **Narrative Justification and Impact Statement**

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

CBIIPSYC is an essential program in our state for some of Washington's most vulnerable and youngest children. The children in CBIIPSYC come from families and environments struggling with substance abuse, histories of mental illness, domestic violence, homelessness and chronic poverty. Although there are high quality services for at risk infants, toddlers and preschoolers in our state (Home Visiting and ESIT, to name two examples), children in CBIIPSYC need a much more intensive and focused level of medical treatment so they have a chance to eventually transition into a more mainstream setting such as ECEAP and Head Start, and to ensure they are healthy and ready to enter the public school system at Kindergarten. Not funding the CBIIPSYC program will be harmful to communities and eligible families who need this intensive support to help keep their children safe and healthy (and to get them ready for Kindergarten and public school), preventing future mental illness of young children, youth, and adults through CBIIPSYC services to save the state significant resources in the future.

With continued funding and support for the CBIIPSYC program, the following outcomes will be able to be measured:

- 5 percent decrease in the number of children who later are enrolled under IDEA in public school
- 5 percent increase in family involvement in CBIIPSYC supported through monthly parent support activities
- 5 percent decrease in the time children and families are enrolled in the CBIIPSYC program (average is currently 14 months)

--5 percent decrease in parental rights being severed for CBIIPSYC families

## **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?***

The CBIIPSYC program benefits children and families in a manner that is consistent with the Department of Early Learning's strategic plan (Goal #1) to provide voluntary high- quality early learning opportunities for children and families in Washington and the following Washington Early Learning Plan strategies: #4 build a continuum of services for infants and toddlers; #6 ensure developmental screening; #9 access to mental health services increase availability of assessment, diagnosis and treatment for young children, and; #26 ensure social/emotional learning.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

The first goal included in the Governor's priorities is a world class education. The Governor believes that every child deserves a world class education that prepares him or her for a healthy and productive life including success in a job or career, in the community, and as a lifelong learner. This decision package would provide essential support to the following sub-goals within the world-class education goal:

--Increase the percentage of children enrolled in high quality learning programs from 2013 baseline

--Increase the percentage of infants and toddlers, who due to developmental delays receive early intervention services from 2013 baseline of 2.2 percent to national average of 2.4 percent by December, 2015

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

Our state is currently faced with a crisis related to the provision and accessibility of age appropriate mental health services for all citizens, including our state's youngest children. The CBIIPSYC program provides a critical service, ensuring comprehensive mental health services are available and developmentally appropriate for infants, toddlers and preschoolers. There are not many comparable services to CBIIPSYC that are both age and environmentally appropriate for our state's youngest children. Since DEL has assumed responsibility for the administration of CBIIPSYC, the Department has received feedback from a number of communities asking for funding for these services. It is critical that we continue offering these specific services, as they clearly fill an important niche in the range of needed mental health services for our state's youngest population.

In addition to Results Washington and the DEL Strategic Plan, CBIIPSYC also connects to the Essentials for Childhood grant work underway at the Department of Health (DOH) and DEL to help families learn how to create safe, stable and nurturing relationships and environments for young children.

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

As stated above, DEL and HCA are currently exploring all options for future federal Medicaid funding, including a Medicaid SPA.

### ***What are the consequences of adopting or not adopting this package?***

A consequence of not funding CBIIPSYC will result in the end of these comprehensive services for 300 children and their families. Without these funds, the program will need to close after more than twenty years of operation. Children experiencing toxic stress will lose much needed and valuable services that include: daily mental health treatment in a quality age appropriate early learning environment, individual and family counseling, group therapy, facilitated psycho educational groups for caregivers, and daily door to door transportation services. Loss of this program will also put additional strain on the K12 special education system.

### ***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***

Professional Service Contracts: \$110,000 in each of fiscal years 2016 and 2017 to create a comprehensive Medicaid strategy for Birth to Three and early learning services. When DEL's ability to use federal Medicaid dollars is restored, funding for this effort would change to 50% GF-S and 50% federal Medicaid dollars, because a 50% percent federal match would be generated if 50% of this effort were to be funded by GF-S.

Client Service Contracts: \$2,152,000 in each of fiscal years 2016 and 2017, to replace the \$2,152,000 federal carry forward authority for Biennium 2015-17 that cannot be used as match funds for the MTCC program.

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

The request to replace the federal carry forward authority for Biennium 2015-17 is assumed to be for one time funding. It would permit DEL to continue operating the program as the Department works with HCA to develop a Medicaid SPA to restore DEL's ability to use federal Medicaid funding for these services.

The costs for the professional service contract to continue pursuing Medicaid funding are assumed to be ongoing. As noted above, if DEL's ability to use federal Medicaid dollars is restored, funding for this position would change to 50% GF-S and 50% federal Medicaid dollars.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
C Professional Svc Contracts	110,000	110,000	220,000
N Grants, Benefits & Client Services	2,152,000	2,152,000	4,304,000
<b>Total Objects</b>	<b>2,262,000</b>	<b>2,262,000</b>	<b>4,524,000</b>

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** O1 Restore Reach Out and Read Program  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

The Department of Early Learning (DEL) requests restoration of \$300,000 in state funding supporting the Reach Out and Read Program (ROR). These monies fund a contract with ROR, an evidence-based nonprofit organization of medical providers who promote early literacy and school readiness in pediatric exam rooms nationwide by giving new books to children and advice to parents about the importance of reading aloud.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	150,000	150,000	300,000
<b>Total Cost</b>	<b>150,000</b>	<b>150,000</b>	<b>300,000</b>

**Package Description:**

For the 2015-17 biennial budget, OFM requested that the Department of Early Learning (DEL) re-base state program budgets to a level below the Maintenance Level budget request for programs not protected from reduction by either state constitutional provisions or by federal law. DEL is required to identify, describe and prioritize budget reductions equal to 15 percent of unprotected Near-General Fund Maintenance Level budgets. DEL submitted six decision packages to achieve an overall reduction of \$25,756,332.

In this third of six buy back decision packages, DEL requests restoration of \$300,000 in state funding supporting the Reach Out and Read Program (ROR). These monies fund a contract with ROR, an evidence-based nonprofit organization of medical providers who promote early literacy and school readiness in pediatric exam rooms nationwide by giving new books to children and advice to parents about the importance of reading aloud.

This funding supports a proven statewide system that delivers: (1) Children's books that doctors use to assess child development and parent child-interactions, model and teach literacy promotion activities for parents and provide books to families to take home and read together; (2) Professional Development for medical providers and practices to support implementation; (3) Monitoring, Evaluation, and Technical Assistance to assure a network of clinics that deliver high quality programs that are both widely accessible and implemented with fidelity to the proven model, and; (4) Alignment and Connection to the P-3 (preschool- third grade) system at the community and state levels, with doctors and the health care system supporting parents as first teachers as they enter into the early learning system.

Not restoring \$300,000 in funding will reduce services to approximately 18,000 children. The delivery of this system only requires a

total investment of approximately \$17 per child per year (fully loaded costs). Medical providers and practices contribute their services to deliver the program to families, thereby immediately leveraging an estimate \$8 in services donated for each \$1 invested in the system. ROR leverages the existing health care structure to deliver high quality programs to children and families in a rapidly scalable, efficient, and effective manner. This contract has been instrumental in developing a statewide system of high quality evidence-based programs that support parents as their child's first teacher, and are proven to change parenting practices and improve child language and literacy outcomes. Leveraging the healthcare system enables rapid, economical, and sustainable growth of a mixed-delivery system that serves families where they are. This network of Reach Out and Read programs is now reaching approximately 20% of all Washington children ages Birth-5, along with their parents, focusing first on those furthest from opportunity.

Parental influence and the home environment are critical factors for children's healthy development. Brain development is most rapid in the first 3 years of life, when most children are not in formal care. By 9 months, skill differences are measurable, and by 3 years, there is a 30 million word gap between what is heard by children in low-income versus higher-income families. This gap translates into differences in kindergarten readiness that are likely to persist into differences in third grade reading proficiency, and differences in the likelihood of graduation from high school. Because science demonstrates the critical importance of parent-child relationships starting in infancy, and because the opportunity gap starts at birth (or before), it is critical that Washington's system to support child development and early learning start with parents and babies. Embedding an evidence-based parenting and early literacy program into the nearly universally-accessible health care system helps build a continuum of supports and services for infants, toddlers and their families, and supports the provision of high quality early learning opportunities for all children.

Over the past seven years Washington's Reach Out and Read network has been developed, using a blend of public and private funding, with the vast majority coming from the private sector and the federal government. Currently there are 1,400 Reach Out and Read medical providers in 169 practices in 31 counties. Collectively the programs serve families with diverse backgrounds; 45% are children of color, and 28% have a primary home language other than English. Reach Out and Read Washington has been supported by six different sources of federal funding. If all sources were in place today, Reach Out and Read Washington would have \$790,000 in federal funds this biennium. All of this federal support for Reach Out and Read has ended, representing a loss of more than 40% of the funding Reach Out and Read Washington must raise to sustain services.

Reach Out and Read is an evidence-based, proven program that is delivered by medical professionals who are specifically trained in the model. Doctors assess parent-child relationships and child development while delivering literacy, developmental, and health-related information in an individualized way with families during well-child visits. The program is embraced across cultures, and has a 25-year history with 15 published studies demonstrating efficacy across various settings. Children's health care is provided by pediatricians, family physicians, nurse practitioners and physician's assistants, through a mixed delivery system including: Community Health Centers, public health clinics, hospital-affiliated clinics and clinic systems, private practices, military facilities and tribal clinics. The types of providers and medical settings accessed by families vary across communities, and between urban and rural settings. Reach Out and Read Program Specialists are assigned to each individual clinic, and develop a close working relationship to support implementation of high quality programs within the realities of each clinic and community. They provide technical assistance and professional development services to train providers and implement clinic systems. They assess quality and offer ongoing support and individualized quality improvement plans to enable clinics to address any challenges with program implementation.

With systems-level support, Reach Out and Read is successfully being implemented across all of these diverse settings and by all types of providers. Medical providers know the families they serve well, and tailor their well-child visits to meet the needs of the families and cultures in their communities. Books are available in a variety of languages, and providers choose which books work for the families they serve.

Reach Out and Read has special initiatives which help doctors support the needs of specific populations and settings, including: the Leyendo Juntos Initiative, which shares best practices for supporting Spanish-speaking families; the Military Initiative, which embeds Reach Out and Read into a support system that acknowledges the unique stresses of families dealing with deployment, and; the American Indian/Alaskan Native Initiative, which partners with the Indian Health Service and the American Academy of Pediatrics (AAP) to embed the program within Indian Health Services (IHS) and tribal-run clinics on reservations and in urban settings.

Reach Out and Read has developed tools to help providers implement the program with families of children with special needs. Developmental Pediatricians and Nurse Practitioners at the Developmental Clinics at both Seattle Children's and Mary Bridge use the program with the families they serve, who have or are at risk for developmental delays, as they recognize its power to enhance child development. Initial growth of the program has focused on clinics serving the most underserved, and there are currently programs in 63 community health centers, 16 tribal clinics, 8 military health facilities, 4 public health clinics and in many other settings serving children in low-income families.

Reach Out and Read Washington State was originally launched in partnership with DEL and Thrive by Five Washington, through funding in the Reading Achievement Account that was intended to be an ongoing source of support for evidence-based early literacy programs.

## **Narrative Justification and Impact Statement**

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

The work of ROAR supports DEL's expected outcomes of high-quality early learning environments for all children, whereby providers are supported with professional development and parents are informed. Also, children arrive at kindergarten ready to succeed. Higher achievement is demonstrated in elementary, middle, and high school.

Additional expected impacts include:

1. Clients: Young children and families across the state will participate in an evidence-based parenting and early literacy program when they come in for their well-child checkups.
2. Services provided: Medical providers will have support to implement high quality programs for the families they serve, and; the state will have documentation of the services provided to doctors, children and families, and to support the statewide system.
3. Citizens: Citizens will benefit from a large population of parents who have supports starting in infancy to help them support their child's early language and literacy development, and help them be ready for kindergarten. Over the long term, citizens benefit from improved levels of civic engagement and a more skilled and employable workforce that follows from having educated and self-supporting state residents.
4. Other agencies or governments: This investment supports a 2014 priority Early Learning Plan strategy for the Early Learning Partnerships (DEL, Office of Superintendent of Public Instruction (OSPI), Thrive and Department of Health) and will have a positive impact in tribal communities.

## **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?***

The work of ROAR supports DEL's strategic plan goal #1 - Provide voluntary, high-quality early learning information and opportunities for children and families of Washington, and goal #3 - Build public awareness of and support for high-quality early learning opportunities. Reach Out and Read is proven to increase parental reading and improve child language skills. Further, Reach Out and Read directly supports the findings of DEL's statewide Parent Needs Assessment: Parent Voices. In this survey, children's doctors were by far the most trusted source of early learning information for parents, and parents wanted information about early reading and school readiness skills. The decision package will prevent a reduction in services.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

Yes, Reach Out and Read is essential to achieving Goal 1: World-Class Education, Subtopic Early Learning in both the Access and Success sections. Reach Out and Read directly addresses "Early Learning-Access 1.1 Increase the percentage of children enrolled in high-quality early learning programs from 2013 baseline to targets per program," by reaching children in the doctor's office, where virtually all families go for medical check-ups. Reach Out and Read is an evidence-based parenting and early literacy program, proven to increase parental reading and improve child language skills. The doctors who participate in Reach Out and Read prescribe books, discuss early literacy, and encourage families to read together. During each checkup, doctors use a new children's book to assess child development and parent child-interactions, model and teach literacy promotion activities for parents, and give the book to families to take home and read together. In doing so, they provide parents with skills and tools (books) to act as their child's first and most important teacher.

Within Early Learning - Success, Reach Out and Read contributes essential support to "2.1 Increase the percentage of children entering kindergarten who demonstrate they are ready by 2% by 2015" and "2.1.a Increase by 2% each year, 2012-13 through 2015, the

percentage of children who demonstrate readiness skills for kindergarten in these areas: social-emotional, physical, language, cognitive, literacy and math." 25 years of history and 15 published studies demonstrate that Reach Out and Read works. In participating families, parents read aloud more often, and children have improved language and literacy skills that make them more likely to be ready for kindergarten.

Within K-12 - Success, Reach Out and Read contributes essential support to "2.2.a Increase percentage of students proficient in fourth grade reading and writing, seventh grade math and eighth grade science by 2% from 2013 to 2014." Research has proven that children who start school ready for kindergarten are more likely to achieve reading proficiency by fourth grade than those who have not had the opportunity to acquire the vocabulary, social-emotional, and early literacy skills expected for entering kindergartners. 15 peer-reviewed, research studies prove that Reach Out and Read helps provide these essential skills.

Reach Out and Read continues to make a concerted effort to address the opportunity gap, currently serving an estimated 100,000 children and their families; 65% low-income, 45% children of color, 28% English Language Learners. This makes it an essential support to K-12 - Success: "2.2.d Reduce opportunity gaps for all students through proficiency in reading, math, science (including biology for high school) by 2 percentage points from 2013 to 2014."

Also, when Governor Inslee released the Results Washington draft framework in September 2013, and asked for public feedback and ideas, ROR Washington Executive Director Dr. Jill Sells posted an idea to include Reach Out and Read as a Leading Indicator within this Outcome Measure. She proposed: "Help parents support their children's education, starting at birth" to increase access to early learning programs; "Suggested Indicator 1.1.f.: Increase the number of well-child visits with doctors who participate in Reach Out and Read from 157,142 visits per year to 500,000 by December 2018." With 283 votes (the second highest of any suggestion) and 34 comments (the most), the enthusiasm for this idea was overwhelming.

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

This investment supports multiple priority strategies in the Washington State Early Learning Plan (ELP). Reach Out and Read is named specifically within the Ready and Successful Children: Increase use of early literacy services and programs. However, because the program is being implemented as a statewide system-building strategy, and is part of a statewide network that partners with communities and with medical providers, who in turn serve both children and parents together in a 2-generation strategy, this investment is a population level approach that simultaneously addresses priority strategies at the Systems, Community, Parent, Provider (health care) and Child levels.

Ready and Successful Children:

- Build a continuum of infant and toddler services and programs (ELP Strategy #4);
- Increase use of early literacy services and programs (ELP Strategy #10).

Ready and Successful Parents, Families, and Caregivers:

- Deepen parenting, caregiver and early learning professional knowledge and learning opportunities (ELP Strategies #14,15 and 16).

Ready and Successful Systems and Communities:

- Build statewide infrastructure for partnerships and mobilization (ELP strategy #34);
- Strengthen public awareness and commitment (ELP strategy #35).

The Early Learning Partnership: 2013 Key Accomplishments and 2014 Priority Strategies, Early Learning Plan

(<http://www.del.wa.gov/publications/communications/docs/2013ELPUpdate.pdf>) refers to Reach Out and Read within the Ready and Successful Children: early Literacy section as follows:

--In 2013: the Legislature continued funding for DEL to contract with Reach Out and Read, Washington's evidence-based parent engagement and early literacy program. Reach Out and Read reached 1,263 medical providers in 146 medical practices in 31 counties.

--The contractor's actions The Partnership recommended action for 2014: Continue to support Reach Out and Read as a key parent engagement and early learning strategy. Develop multi-year strategy with Reach Out and Read focused on addressing the opportunity gap through a statewide system of high-quality, sustainable programs.

There are an estimated 100,000 young children and their parents who currently participate in the program, and families across all cultures and settings express enthusiasm and appreciation for their doctors' participation in the program. There are currently 1,400 medical providers implementing Reach Out and Read in Washington, and many more who would like to if they had support to do so. Reach Out and Read is endorsed nationally by the American Academy of Pediatrics and the National Association of Pediatric Nurse Practitioners, and supported by the American Academy of Family Physicians. Nationally, the American Academy of Pediatrics has

recently released a policy statement endorsing literacy promotion as a standard part of primary care for children.

Stakeholders who specifically support increased state funding for the program include medical practices across the state participating in Reach Out and Read, the Washington Chapter of The American Academy of Pediatrics, and the League of Education Voters. There is a history of strong support for Reach Out and Read in the Legislature, and a January, 2013 letter of support in the requested an investment of \$1.25 million for Biennium 2013-15 was signed by 38 legislators, including members of both parties in both chambers.

The Washington State Early Learning Partnership, now composed of the Department of Early Learning, OSPI, the Department of Health and Thrive by Five Washington, has designated early literacy including Reach Out and Read as a priority strategy for the state's Early Learning Plan since it was released in 2010. DEL is not aware of any stakeholder concerns about the changes related to this proposed investment.

Reach Out and Read's offerings are consistent with the mission and vision of the Department of Health's Essentials for Childhood grant to promote "safe, stable and nurturing relationships and environments" for young children, is related to work under the Frontiers of Innovation initiative to improve and disseminate innovations in brain science; and works alongside the many efforts in the state to reduce the effects of Adverse Childhood Experiences and promote resilience.

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

All activities funded with General and Near-General Fund dollars were scrutinized, prior to putting forth this proposal.

***What are the consequences of adopting or not adopting this package?***

Not restoring the \$300,000 will reduce services to approximately 18,000 children and cause a loss of significant in kind services. The system only requires a total investment of approximately \$17 per child per year (fully loaded costs). Medical providers and practices contribute their services to deliver the program to families, thereby immediately leveraging an estimate \$8 in services donated for each \$1 invested in the system (the statistics in this paragraph were provided by ROAR).

Without this funding, services to support the existing system will decrease in the coming year, and potentially the entire system could be at risk. Without the services currently provided by Reach Out and Read Washington State there would be no staff to support programs in Washington, or to connect them with communities, the state, or each other. There would be no one to recruit new programs, and no one to support new clinics that wanted to participate. Without this support many programs would close. Other programs might continue but have inadequate books, gradually giving out fewer over time, and the programs serving the children most at risk are the most likely to be in this situation. No programs would have systems that help them implement the program well. No program would have support during times of challenge or staff transitions; times when programs end or become less strong. The contractor has objectively demonstrated improvements in fidelity to the model with staff support; but this would not persist without staff to support the programs. Without the current statewide system, there would be no analysis of data from the programs, so no knowledge of how many families are being served, or who they are, and no reporting to the state or communities about what services exist.

***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***

Professional Service Contracts: \$150,000 in each of fiscal years 2016 and 2017, for a total of \$300,000 for 2015-17.

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

All costs would be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
C Professional Svc Contracts	150,000	150,000	300,000

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** O2 Reach Out and Read Early Literacy  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

Far too few children in Washington are ready for kindergarten, or proficient in 3rd grade reading, and the roots of this challenge start in infancy. The Department of Early Learning (DEL) requests an additional \$400,000 for the Biennium 2015-17 for a contract to support the statewide network of evidence-based Reach Out and Read (ROR) programs in the health care setting. During well-child checkups participating doctors support nurturing parent-child relationships and teach families how to promote child development, with a focus on early language, literacy, and communication skills that will help their children be ready for kindergarten. Prioritizing families furthest from opportunity, this will continue services for 100,000 children and their families, and help DEL and Reach Out and Read develop a funding and implementation plan to more sustainably deliver these services to support whole child development as part of our state's early learning system.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	200,000	200,000	400,000
<b>Total Cost</b>	<b>200,000</b>	<b>200,000</b>	<b>400,000</b>

**Package Description:**

Problem and opportunity - Parental influence and the home environment are critical factors for children's healthy development. Brain development is most rapid in the first 3 years of life, when most children are not in formal care. By 9 months, skill differences are measurable, and by 3 years, there is a 30 million word gap between what is heard by children in low-income versus higher-income families. This gap translates into differences in kindergarten readiness that are likely to persist into differences in third grade reading proficiency, and differences in the likelihood of graduation from high school. Because science demonstrates the critical importance of parent-child relationships starting in infancy, and because the opportunity gap starts at birth (or before), it is critical that Washington's system to support child development and early learning start with parents and babies. Embedding an evidence-based parenting and early literacy program into the nearly universally-accessible health care system helps build a continuum of supports and services for infants, toddlers and their families, and supports the provision of high quality early learning opportunities for all children.

Addressing this challenge - DEL intends to address this challenge and opportunity through requesting an additional \$400,000 for the Biennium 2015-17 for expansion of its contract with Reach Out and Read. ROR leverages the existing health care structure to deliver high quality programs to children and families in a rapidly scalable, efficient, and effective manner. This contract has been instrumental in developing a statewide system of high quality evidence-based programs that support parents as their child's first teacher, and are proven to change parenting practices and improve child language and literacy outcomes. Leveraging the healthcare

system enables rapid, economical, and sustainable growth of a mixed-delivery system that serves families where they are. This network of Reach Out and Read programs is now reaching approximately 20% of all Washington children ages Birth-5, along with their parents, focusing first on those furthest from opportunity.

Over the past seven years Washington's Reach Out and Read network has been developed, using a blend of public and private funding, with the vast majority coming from the private sector and the federal government. Currently there are 1,400 Reach Out and Read medical providers in 169 practices in 31 counties. Collectively the programs serve families with diverse backgrounds; 45% are children of color, and 28% have a primary home language other than English. Reach Out and Read Washington has been supported by six different sources of federal funding. If all sources were in place today, Reach Out and Read Washington would have \$790,000 in federal funds this biennium. All of this federal support for Reach Out and Read has ended, representing a loss of more than 40% of the funding Reach Out and Read Washington must raise to sustain services. This \$400,000 investment will replace half of this funding, and prevent the loss of services to approximately 20,000 children and their families each year.

Reach Out and Read is an evidence-based, proven program that is delivered by medical professionals who are specifically trained in the model. Doctors assess parent-child relationships and child development while delivering literacy, developmental, and health-related information in an individualized way with families during well-child visits. The program is embraced across cultures, and has a 25-year history with 15 published studies demonstrating efficacy across various settings. Children's health care is provided by pediatricians, family physicians, nurse practitioners and physician's assistants, through a mixed delivery system including: Community Health Centers, public health clinics, hospital-affiliated clinics and clinic systems, private practices, military facilities and tribal clinics. The types of providers and medical settings accessed by families vary across communities, and between urban and rural settings. Reach Out and Read Program Specialists are assigned to each individual clinic, and develop a close working relationship to support implementation of high quality programs within the realities of each clinic and community. They provide technical assistance and professional development services to train providers and implement clinic systems. They assess quality and offer ongoing support and individualized quality improvement plans to enable clinics to address any challenges with program implementation.

With systems-level support, Reach Out and Read is successfully being implemented across all of these diverse settings and by all types of providers. Medical providers know the families they serve well, and tailor their well-child visits to meet the needs of the families and cultures in their communities. Books are available in a variety of languages, and providers choose which books work for the families they serve.

Reach Out and Read has special initiatives which help doctors support the needs of specific populations and settings, including: the Leyendo Juntos Initiative, which shares best practices for supporting Spanish-speaking families; the Military Initiative, which embeds Reach Out and Read into a support system that acknowledges the unique stresses of families dealing with deployment, and; the American Indian/Alaskan Native Initiative, which partners with the Indian Health Service and the American Academy of Pediatrics (AAP) to embed the program within Indian Health Services (IHS) and tribal-run clinics on reservations and in urban settings.

Reach Out and Read has developed tools to help providers implement the program with families of children with special needs. Developmental Pediatricians and Nurse Practitioners at the Developmental Clinics at both Seattle Children's and Mary Bridge use the program with the families they serve, who have or are at risk for developmental delays, as they recognize its power to enhance child development. Initial growth of the program has focused on clinics serving the most underserved, and there are currently programs in 63 community health centers, 16 tribal clinics, 8 military health facilities, 4 public health clinics and in many other settings serving children in low-income families.

What the funding will accomplish - The decision package provides for a contract with Reach Out and Read that supports a proven statewide system that delivers:

- (1) Children's books that doctors use to assess child development and parent child-interactions, model and teach literacy promotion activities for parents and give to families to take home and read together;
- (2) Professional Development for medical providers and practices to support implementation;
- (3) Monitoring, Evaluation, and Technical Assistance to assure a network of clinics that deliver high quality programs that are both widely accessible and implemented with fidelity to the proven model, and;
- (4) Alignment and Connection to the P-3 (preschool- third grade) system at the community and state levels, with doctors and the health care system supporting parents as first teachers as they enter into the early learning system.

Specifically, the investment of \$400,000 will prevent approximately 20,000 children and their families from losing access to the program.

The delivery of this system only requires a total investment of about \$17 per child per year because the medical providers and practices

contribute their services to deliver the program to families, thereby immediately leveraging \$8 in services donated for each \$1 invested in the system.

Reach Out and Read Washington State was originally launched in partnership with DEL and Thrive by Five Washington, through funding in the Reading Achievement Account, that was intended to be an ongoing source of support for evidence-based early literacy programs.

Over time, the federal government and private funders have provided the vast majority of the funding needed to develop and implement the current system, all with the intention of leveraging state investment to sustain the system.

The proposed total state investment of \$400,000 per year is only \$4.00 per child served, and about 25% of the needed investment to support the statewide program and prevent reductions in services. The remainder will need to be raised by the Reach Out and Read staff, who are also supporting program implementation; and by local medical practices to provide a significant portion of the book budget. This increase would provide a small but essential portion of overall funding, but it is crucial to assure that current services continue. Through this contract, the agency will help sustain systems funding to assure continuation of programs statewide, and assure the capacity to plan for a sustainable path forward to enable future growth as a core part of our early learning system.

## **Narrative Justification and Impact Statement**

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

The agency expects the following outcomes:

- Prevent a decrease in the number of program sites.
- Prevent a decrease of 20,000 in the number of books provided to children.
- Prevent a decrease in the number of well-child visits/consultations with parents.
- Prevent a decrease in the number of participating medical providers.
- Prevent a decrease of 35% in the number of providers supported with Professional Development.
- Prevent a decrease of 35% in the number of medical practices supported with technical assistance.
- Prevent a decrease of 35% in the number of quality assessments done.

Expected impacts -

1. Clients: Young children and families across the state will participate in an evidence-based parenting and early literacy program when they come in for their well-child checkups.
2. Services provided: Medical providers will have support to implement high quality programs for the families they serve, and; the state will have documentation of the services provided to doctors, children and families, and to support the statewide system.
3. Citizens: Citizens will benefit from a large population of parents who have supports starting in infancy to help them support their child's early language and literacy development, and help them be ready for kindergarten. Over the long term, citizens benefit from improved levels of civic engagement and a more skilled and employable workforce that follows from having educated and self-supporting state residents.
4. Other agencies or governments: This investment supports a 2014 priority Early Learning Plan strategy for the Early Learning Partnerships (DEL, Office of Superintendent of Public Instruction (OSPI), Thrive and Department of Health) and will have a positive impact in tribal communities.

## **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?***

Yes, it is essential because Reach Out and Read is named as a Key Strategy under Strategic Goal #1 "Provide high-quality, safe, and healthy early care and education opportunities for all children" Objective 4: "Increase use of early literacy services." Additionally, Reach Out and Read contributes to increasing the "Percent of families who report reading stories to their children every day," one of the Measurements for Strategic Goal #2 "Partner with and inform parents, families and communities about early learning." Reach Out and Read is proven to increase parental reading and improve child language skills. Further, Reach Out and Read directly supports the findings of DEL's statewide Parent Needs Assessment: Parent Voices. In this survey, children's doctors were by far the most trusted source of early learning information for parents, and parents wanted information about early reading and school readiness skills. The decision package will prevent a reduction in services.

***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

Yes, Reach Out and Read is essential to achieving Goal 1: World-Class Education, Subtopic Early Learning in both the Access and Success sections. Reach Out and Read directly addresses "Early Learning-Access 1.1 Increase the percentage of children enrolled in high-quality early learning programs from 2013 baseline to targets per program," by reaching children in the doctor's office, where virtually all families go for medical check-ups. Reach Out and Read is an evidence-based parenting and early literacy program, proven to increase parental reading and improve child language skills. The doctors who participate in Reach Out and Read prescribe books, discuss early literacy, and encourage families to read together. During each checkup, doctors use a new children's book to assess child development and parent child-interactions, model and teach literacy promotion activities for parents, and give the book to families to take home and read together. In doing so, they provide parents with skills and tools (books) to act as their child's first and most important teacher.

Within Early Learning - Success, Reach Out and Read contributes essential support to "2.1 Increase the percentage of children entering kindergarten who demonstrate they are ready by 2% by 2015" and "2.1.a Increase by 2% each year, 2012-13 through 2015, the percentage of children who demonstrate readiness skills for kindergarten in these areas: social-emotional, physical, language, cognitive, literacy and math." 25 years of history and 15 published studies demonstrate that Reach Out and Read works. In participating families, parents read aloud more often, and children have improved language and literacy skills that make them more likely to be ready for kindergarten.

Within K-12 - Success, Reach Out and Read contributes essential support to "2.2.a Increase percentage of students proficient in fourth grade reading and writing, seventh grade math and eighth grade science by 2% from 2013 to 2014." Research has proven that children who start school ready for kindergarten are more likely to achieve reading proficiency by fourth grade than those who have not had the opportunity to acquire the vocabulary, social-emotional, and early literacy skills expected for entering kindergartners. 15 peer-reviewed, research studies prove that Reach Out and Read helps provide these essential skills.

Reach Out and Read continues to make a concerted effort to address the opportunity gap, currently serving an estimated 100,000 children and their families; 65% low-income, 45% children of color, 28% English Language Learners. This makes it an essential support to K-12 - Success: "2.2.d Reduce opportunity gaps for all students through proficiency in reading, math, science (including biology for high school) by 2 percentage points from 2013 to 2014."

Also, when Governor Inslee released the Results Washington draft framework in September 2013, and asked for public feedback and ideas, ROR Washington Executive Director Dr. Jill Sells posted an idea to include Reach Out and Read as a Leading Indicator within this Outcome Measure. She proposed: "Help parents support their children's education, starting at birth" to increase access to early learning programs; "Suggested Indicator 1.1.f.: Increase the number of well-child visits with doctors who participate in Reach Out and Read from 157,142 visits per year to 500,000 by December 2018." With 283 votes (the second highest of any suggestion) and 34 comments (the most), the enthusiasm for this idea was overwhelming.

<https://resultswashington.uservoice.com/forums/219780-your-ideas-your-feedback-your-government-/suggestions/4495929-help-parent-s-support-their-children-s-education-s>

Again, the decision package prevents a reduction in services.

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

This investment supports multiple priority strategies in the Washington State Early Learning Plan (ELP). Reach Out and Read is named specifically within the Ready and Successful Children: Increase use of early literacy services and programs. However, because the program is being implemented as a statewide system-building strategy, and is part of a statewide network that partners with communities and with medical providers, who in turn serve both children and parents together in a 2-generation strategy, this investment is a population level approach that simultaneously addresses priority strategies at the Systems, Community, Parent, Provider (health care) and Child levels.

Ready and Successful Children:

- Build a continuum of infant and toddler services and programs (ELP Strategy #4);
- Increase use of early literacy services and programs (ELP Strategy #10).

Ready and Successful Parents, Families, and Caregivers:

- Deepen parenting, caregiver and early learning professional knowledge and learning opportunities (ELP Strategies #14,15 and 16).

Ready and Successful Systems and Communities:

- Build statewide infrastructure for partnerships and mobilization (ELP strategy #34);
- Strengthen public awareness and commitment (ELP strategy #35).

The Early Learning Partnership: 2013 Key Accomplishments and 2014 Priority Strategies, Early Learning Plan

(<http://www.del.wa.gov/publications/communications/docs/2013ELPUpdate.pdf>) refers to Reach Out and Read within the Ready and Successful Children: early Literacy section as follows:

--In 2013: the Legislature continued funding for DEL to contract with Reach Out and Read, Washington's evidence-based parent engagement and early literacy program. Reach Out and Read reached 1,263 medical providers in 146 medical practices in 31 counties.

--The Partnership recommended the following action for 2014: Continue to support Reach Out and Read as a key parent engagement and early learning strategy. Develop multi-year strategy with Reach Out and Read focused on addressing the opportunity gap through a statewide system of high-quality, sustainable programs.

There are an estimated 100,000 young children and their parents who currently participate in the program, and families across all cultures and settings express enthusiasm and appreciation for their doctors' participation in the program. There are currently 1,400 medical providers implementing Reach Out and Read in Washington, and many more who would like to if they had support to do so. Reach Out and Read is endorsed nationally by the American Academy of Pediatrics and the National Association of Pediatric Nurse Practitioners, and supported by the American Academy of Family Physicians. Nationally, the American Academy of Pediatrics has recently released a policy statement endorsing literacy promotion as a standard part of primary care for children.

Stakeholders that specifically support increased state funding for the program include medical practices across the state participating in Reach Out and Read, the Washington Chapter of The American Academy of Pediatrics, and the League of Education Voters. There is a history of strong support for Reach Out and Read in the Legislature, and a January, 2013 letter of support requesting an investment of \$1.25 million for Biennium 2013-15 was signed by 38 legislators, including members of both parties in both chambers.

The Washington State Early Learning Partnership, now composed of the Department of Early Learning, OSPI, the Department of Health and Thrive by Five Washington, has designated early literacy including Reach Out and Read as a priority strategy for the state's Early Learning Plan since it was released in 2010. DEL is not aware of any stakeholder concerns about the changes related to this proposed investment.

Reach Out and Read's offerings are consistent with the mission and vision of the Department of Health's Essentials for Childhood grant to promote "safe, stable and nurturing relationships and environments" for young children, is related to work under the Frontiers of Innovation initiative to improve and disseminate innovations in brain science; and works alongside the many efforts in the state to reduce the effects of Adverse Childhood Experiences and promote resilience.

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

Exploration of approaches with different budget impacts - Reach Out and Read staff have worked diligently to develop public and private funding support for this program over many years, raising over \$3.8 million dollars since 2007. Local medical practices have also raised significant funding for books, and continue to do so. As the program has grown, the share of state investment has not grown with it. At the same time, several sources of federal funding have ended (temporary federal funding; funding that DEL was previously able to add to this contract that is no longer available; the elimination of federal earmarks which Reach Out and Read nationally used to receive and provide support in both cash and books to Washington; the elimination of a federal Department of Defense appropriation which supported military programs; and the near elimination of the national Reading Is Fundamental program, which used to provide funding for books for Washington's tribal programs.) While private support has continued, there is a trend toward regionally-focused or project-specific funding, which has decreased funding to support the statewide system in partnership with state funding. So, other fundraising is ongoing, and will still provide more than 80% of the needed investment. This small state investment is needed to leverage the other funding and help maintain the current programs and services.

Reach Out and Read is also continually assessing options for organizational efficiencies and partnerships, and for potential new revenue streams or new approaches to sustainability. In particular, there is new national momentum around Reach Out and Read, due in large part to a new national AAP policy statement-"Literacy Promotion: An Essential Component of Primary Care Pediatric Practice," (Pediatrics 2014; 134:2 404-409).\*The statement includes a review of Reach Out and Read and its evidence base and proven track record, and makes concrete recommendations, including about policy and funding. Reach Out and Read is using this statement and the associated media attention to strengthen the case for sustainable funding at the state and local levels. This has provided an opportunity to begin conversations with the Department of Health and the Health Care Authority around this program. Also the Department of Health is now part of the Early Learning Partnership, and there is increasing interest in cross-agency collaboration, including around the intersections of health and early learning. In a separate decision package related to the Medicaid Treatment Child Care (MTCC) Program, DEL is requesting support for a position that would facilitate early learning partnerships with the Medicaid system, and Reach Out and Read would be part of that. So there are a number of potentially exciting options to pursue, but none can be implemented or result in funding in the short term. Funding this decision package could help facilitate the work of moving those possibilities forward.

Because this program is contracted through Reach Out and Read, efficiencies are perhaps more relevant at the contractor site. Efficiencies have been and are continually sought, and staffing at the contractor's program has not increased, even as the service provision has continued to increase over the past two years.

\* also online at: <http://pediatrics.aappublications.org/content/early/2014/06/19/peds.2014-1384.full.pdf+html>

***What are the consequences of adopting or not adopting this package?***

This funding will enable services for 100,000 children and their families to continue, and for DEL and Reach Out and Read to work with other agencies, partners and stakeholders to develop a funding and programmatic plan which will enable the long-term sustainable implementation of this program as part of our state's early learning system.

Without this funding, services to support the existing system will decrease in the coming year, and potentially the entire system could be at risk. Without the services currently provided by Reach Out and Read Washington State there would be no staff to support programs in Washington, or to connect them with communities, the state, or each other. There would be no one to recruit new programs, and no one to support new clinics that wanted to participate. Without this support many programs would close-including the 16 tribal and 8 military programs for which Reach Out and Read provides all the books they give to families. Other programs might continue but have inadequate books, gradually giving out fewer over time, and the programs serving the children most at risk are the most likely to be in this situation. No programs would have systems that help them implement the program well. No program would have support during times of challenge or staff transitions; times when programs end or become less strong. The contractor has objectively demonstrated improvements in fidelity to the model with staff support; but this would not persist without staff to support the programs. Without the current statewide system, there would be no analysis of data from the programs, so no knowledge of how many families are being served, or who they are, and no reporting to the state or communities about what services exist.

***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?***

The only change needed is to amend the contract between DEL and Reach Out and Read to include the higher level of funding.

***Expenditure and revenue calculations and assumptions***

Professional Service Contracts: \$200,000 in each of fiscal years 2016 and 2017.

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

All costs are ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
C Professional Svc Contracts	200,000	200,000	400,000

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** O3 Restore Child Care Res and Refer  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

The Department of Early Learning (DEL) requests restoration of \$1,276,000 in funding for child care resource and referral services. DEL contracts with Child Care Aware (CCA) of Washington, a non-profit organization to provide these services statewide through their Child Care Aware of Washington Family Center. The Family Center is a statewide child care licensing data bank and toll-free Consumer Education Hotline and online referral system, for parents and families to find childcare in their area, and also staffs a team that provides written referrals, community awareness and disseminates packets of information on finding high-quality child care, and other DEL literature.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	638,000	638,000	1,276,000
<b>Total Cost</b>	<b>638,000</b>	<b>638,000</b>	<b>1,276,000</b>

**Package Description:**

For the 2015-17 biennial budget, OFM requested that the Department of Early Learning (DEL) re-base state program budgets to a level below the Maintenance Level budget request for programs not protected from reduction by either state constitutional provisions or by federal law. DEL is required to identify, describe and prioritize budget reductions equal to 15 percent of unprotected Near-General Fund Maintenance Level budgets. DEL submitted six decision packages to achieve an overall reduction of \$25,756,332.

In this fourth of six buy back decision packages, DEL requests restoration of \$1,276,000 in funding for child care resource and referral services. The Department of Early Learning (DEL) contracts with Child Care Aware (CCA) of Washington, a non-profit organization, to provide these services statewide through their Child Care Aware of Washington Family Center. The Family Center is a statewide child care licensing data bank and toll-free Consumer Education Hotline and online referral system, for parents and families to find childcare in their area, and also staffs a team that provides written referrals, community awareness and disseminates packets of information on finding high-quality child care, and other DEL literature. The biennial budget of \$1,276,000 is contracted at \$638,000 each fiscal year. This money represents 70 percent of the Contractor's total funding for the Family Center, so a reduction of this magnitude would likely result in the center closing. DEL would likely be flooded with calls and information requests that we do not have capacity to respond to.

There presently isn't another resource other than the Family Center for parents and families to identify and locate child care that meets their specific needs. The Family Center provides parent and families information to help them understand the different types of child

care available and what to consider when trying to find a program suitable for their family. CCA provides referrals to specific child care programs, information about financial assistance and ways for families to identify quality child care, to include things like second language, special needs, location and operating hours, and if the facility serves child of the correct age.

## **Narrative Justification and Impact Statement**

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

The work funded by this contract touches on several of DEL's budget activities and expected outcomes. We want to ensure that families are well informed, so that if they select a licensed facility it results in a safe and healthy environment for their child. Referral services will point out licensed child care providers participating in quality initiatives. This will result in children being in high-quality early learning environments, where providers are supported with professional development and parents are informed. The referral work also supports our expected outcome of maintaining safe, healthy environments and continuity of care that supports child development for Washington's most vulnerable families. Lastly, when families make informed decisions about high-quality early learning, it helps ensure that children arrive at kindergarten ready to succeed. This leads to higher achievement in elementary, middle, and high school.

## **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?***

Funding that supports child care resource and referral services supports DEL's strategic plan goal #1 - Provide voluntary, high-quality early learning information and opportunities for children and families of Washington, and goal #3 - Build public awareness of and support for high-quality early learning opportunities.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

This funding is essential achieving Goal 1: World-Class Education, which states that every child deserves a world-class education that prepares him or her for a healthy, productive life. We've developed preliminary outcomes measures that focus on increasing access to education to provide every student with 21st century skills to succeed in school, job, career and in their communities.

### ***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?***

All activities funded with General and Near-General Fund dollars were scrutinized, prior to putting forth this proposal.

### ***What are the consequences of adopting or not adopting this package?***

The ability of Child Care Aware (CCA) of Washington, a non-profit organization, to provide these services statewide through their Child Care Aware of Washington Family Center would be seriously degraded, or might be eliminated altogether. The \$1,276,000 request represents 70 percent of the Contractor's total funding for the Family Center, so a reduction of this magnitude would likely result in the center closing. There presently isn't another resource other than the Family Center for parents and families to locate child care that meets their specific needs and understand different types of child care available and what to consider when trying to find a program suitable for their family. Additionally, the Family Center is a key strategy to increase public awareness and use of the Early Achievers system for families. Eliminating funding will significantly reduce family awareness and use of the Early Achievers system.

CCA provides referrals to specific child care programs, information about financial assistance and ways for families to identify quality child care, to include things like second language, special needs, location and operating hours, and if the facility serves child of the correct age. DEL would likely be flooded with calls and information requests that we do not have capacity to respond to.

***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?***

Revisions would need to be made to RCW 43.215.545. Contract amendments would be needed.

***Expenditure and revenue calculations and assumptions***

Grants, Benefits and Client Service Contracts: \$638,000 in each of fiscal years 2016 and 2017, for a total of \$1,276,000 in 2015-17.

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

All costs would be ongoing.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
N Grants, Benefits & Client Services	638,000	638,000	1,276,000

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** O4 Restore Culturally Relevant Svcs  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

The Department of Early Learning (DEL) requests restoration of \$400,000 in funding for culturally relevant services supporting Family, Friend and Neighbor (FFN) service providers. DEL contracts with Child Care Aware (CCA) of Washington, a non-profit organization to provide these services statewide. CCA supports culturally relevant services by partnering with regional community entities such as local coalitions, Early Learning Coalitions (ELC), libraries, senior agencies, cultural organizations, workplace settings and recreational entities for the purpose of identifying and engaging FFN caregivers and families. CCA also provides direct education and materials to parents and FFN caregivers with the funding they receive. These funds help FFN providers learn about and provide quality care for children under their care. The funding is divided between the CCA seven child care resource and referral regions. As providers who are exempt from licensing, these are the only resources that are made available to this particular group.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	200,000	200,000	400,000
<b>Total Cost</b>	<b>200,000</b>	<b>200,000</b>	<b>400,000</b>

**Package Description:**

For the 2015-17 biennial budget, OFM requested that the Department of Early Learning (DEL) re-base state program budgets to a level below the Maintenance Level budget request for programs not protected from reduction by either state constitutional provisions or by federal law. DEL is required to identify, describe and prioritize budget reductions equal to 15 percent of unprotected Near-General Fund Maintenance Level budgets. DEL submitted six decision packages to achieve an overall reduction of \$25,756,332.

In this fifth of six buy back decision packages, DEL requests restoration of \$400,000 in funding for culturally relevant services supporting Family, Friend and Neighbor (FFN) service providers. DEL contracts with Child Care Aware (CCA) of Washington, a non-profit organization to provide these services statewide. CCA is a community resource for quality child care and early learning programs throughout the state. CCA is directed in the contract to support culturally relevant services by partnering with regional community entities such as local coalitions, Early Learning Coalitions (ELC), libraries, senior agencies, cultural organizations, workplace settings and recreational entities for the purpose of identifying and engaging FFN caregivers and families. CCA also provides direct education and materials to parents and FFN caregivers with the funding they receive. These funds help FFN providers learn about and provide quality care for children in their care. The biennial budget of \$400,000 is contracted for \$200,000 each fiscal year which is divided between the CCA seven child care resource and referral regions. As providers who are exempt from licensing, these are the only resources that are made

available to this particular group.

## **Narrative Justification and Impact Statement**

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

The Department of Early Learning develops and administers programs that ensure researched-based high quality early learning opportunities are available to children and families. Culturally Relevant Services are an important part of this overall quality framework.

DEL department administers several initiatives and programs in collaboration with partners such as Culturally Relevant Services to create an early learning system that helps ensure safe and nurturing relationships and environments for all children. Our expected outcome is that children arrive at kindergarten ready to succeed. Higher achievement is demonstrated in elementary, middle, and high school.

### **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?***

Funding that supports culturally relevant services supports DEL's strategic plan goal #1 - Provide voluntary, high-quality early learning information and opportunities for children and families of Washington, and goal #3 - Build public awareness of and support for high-quality early learning opportunities.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

This funding is essential achieving Goal 1: World-Class Education, which states that every child deserves a world-class education that prepares him or her for a healthy, productive life. We've developed preliminary outcomes measures that focus on increasing access to education to provide every student with 21st century skills to succeed in school, job, career and in their communities.

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

FFN providers may be eligible to receive Working Connections Child Care subsidies for children they care for. Without resources provided to them through culturally relevant FFN funding, some FFN providers may be receiving state subsidy funds for offering care that isn't of high-quality.

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

All activities funded with General and Near-General Fund dollars were scrutinized, prior to putting forth this proposal.

### ***What are the consequences of adopting or not adopting this package?***

Family, Friend and Neighbor (FFN) service providers would lose access to culturally relevant services. These funds help FFN providers learn about and provide quality care for children in their care. As providers who are exempt from licensing, these are the only resources that are made available to this particular group.

### ***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?***

Contract amendments would be needed.

***Expenditure and revenue calculations and assumptions***

Grants, Benefits and Client Service Contracts: \$200,000 in each of fiscal years 2016 and 2017, for a total of \$400,000 in 2015-17.

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

All costs are ongoing.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
N Grants, Benefits & Client Services	200,000	200,000	400,000

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** O5 New Lease Request  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

DEL requests funding for to move two additional suites in the Republic Building where Del currently occupies parts two other suites (this building is adjacent to the Jefferson HQ building). DEL requests \$374,976 in General Fund State (GF-S) for these costs.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	245,688	129,288	374,976
<b>Total Cost</b>	<b>245,688</b>	<b>129,288</b>	<b>374,976</b>

**Package Description:**

Combining all decision packages, the Department of Early Learning (DEL) is requesting funding for 40 Headquarter based FTEs in 2015-17. Some of these FTEs are existing staff. DEL is out of space in its current footprint and will need additional for most of these employees. This decision packages requests funding to move into two additional suites in the Republic Building where DEL currently occupies parts of two other suites (this building is adjacent to the Jefferson HQ building). Suite 200 (Tumwater Side) can hold up to 16 work stations (4 offices and between 10-12 work stations). Suite 250 can hold up to 25 work stations (7 offices and between 16-18 work stations).

DEL requests \$374,976 in GF-S funding for these costs.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

These positions will reside in three different divisions that support DEL Objective 1.1 Align early learning Programs under one quality framework, so that we use a common definition of quality across program settings and maximize system efficiency, and Objective 1.2 Continue expanding state funded preschool to reach all eligible children when the program becomes a statutory entitlement (school year 2018-19). These positions also support several other objectives in DEL's strategic plan.

## **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?***

Yes. The work of these staff supports the DEL strategy to provide voluntary high-quality early learning information and opportunities for children and families of Washington, which is goal #1 of the agency strategic plan.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

DEL staff provides support to the Governor's Results Washington #1 priority of world-class education.

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

DEL is submitting six decision packages for 2005-17 that increase staff (PL-EC ECEAP Expansion, PL-EA Early Achievers Sustainability, PL-AP Child Care Attendance & Billing System (formerly TABS), PI-TL Fund Tribal Liaison & Coordination, PL-FM Increase Financial Mgmt Capacity, PI-DA - Enterprise Data Reporting System).

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

We look at the possibility of accommodating the staff within our current footprint (exp: decreasing cubical sizes, invading conference rooms). This solution was found not to be feasible.

### ***What are the consequences of adopting or not adopting this package?***

We will not have sufficient space to house increased staff requested in the six decision packages submitted for 2015-17.

### ***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***

In other DEL decision packages with FTE, office furniture and equipment are included under "Equipment" (capital outlay).

Republic Building Suite: 200 (Tumwater side):

--Additional 2,500 sq./ft. = Estimate for 16 work stations (4 offices and between 10-12 cubical)

--Moving/set up costs- \$9,000

--Tenant Improvements (Voice, data, and power drops, etc.) - \$7,500

--Phone/Data lines installation - \$8,500

--DES/RES services 117 X2 =234 X40 hours - \$9,360 for architect, planner, lease negotiations, processing fees, etc.

--Monthly rent - \$3,367. Includes \$2,917 for space and janitorial services, plus \$450 for utilities refuse, sewer, and water.

--Total one-time costs = \$34,360 and annual ongoing rent = \$40,404. Total request for Fiscal Year 2016 is \$76,764 and \$40,404 for Fiscal Year 2017 for a total cost of \$115,168 in 2015-17

Republic Building Suite 250. There are a lot of unknowns with this space so estimations are on based a worst-case scenario:

- Additional 5,500 Sq./ft. = Estimate for up to 25 total work stations (7 offices + 16-18 cubical)
- Moving/set up costs - \$15,000
- Tenant Improvements (Voice, data, and power drops, etc.) - \$12,000
- Phone/Data lines installation - \$16,000.
- Additional IT infrastructure support (upgrade needed) - \$25,000
- DES/RES services - \$14,040 for Architect, planner, lease negotiations, processing fees, etc..
- Monthly rent - \$7,407. Includes \$6,417 for the space and janitorial services, \$990 for utilities refuse, sewer, and water.
- Total one-time costs = \$82,040 and annual ongoing rent = \$88,884. Total request for Fiscal Year 2016 is \$170,924 and \$88,884 for Fiscal Year 2017 for a total cost of \$259,808 in 2015-17

The total GF-S request for both spaces for 2015-17 is \$374,976 (goods and services).

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

Only the costs of rent are ongoing. All other costs are one-time.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
E Goods\Other Services	245,688	129,288	374,976

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** O6 Restore ELAC Compensation  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

The Department of Early Learning (DEL) requests restoration of \$31,035 in funding supporting the Early Learning Advisory Council (ELAC). This funding supports the compensation and travel expenses that DEL is required to reimburse ELAC members per RCW 43.03.240, 43.03.050, and 43.03.060. ELAC was created by the Legislature in 2007. Per RCW 43.215.090, ELAC membership cannot exceed 23 members and includes members of the Legislature, representatives from OFM, DEL, DSHS and other specified state agencies, and members from federally recognized tribes, local government, and community based organizations, and other specified representatives. ELAC representatives from around the state meet regularly to provide input and recommendations to the Department of Early Learning (DEL) so our strategies and actions are well-informed and broadly supported by parents, child care providers, health/safety experts and interested members of the public.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	12,795	18,240	31,035
<b>Total Cost</b>	<b>12,795</b>	<b>18,240</b>	<b>31,035</b>

**Package Description:**

For the 2015-17 biennial budget, OFM requested that the Department of Early Learning (DEL) re-base state program budgets to a level below the Maintenance Level budget request for programs not protected from reduction by either state constitutional provisions or by federal law. DEL is required to identify, describe and prioritize budget reductions equal to 15 percent of unprotected Near-General Fund Maintenance Level budgets. DEL submitted six decision packages to achieve an overall reduction of \$25,756,332.

In this sixth of six buy back decision packages, DEL requests restoration of \$31,035 in funding supporting the Early Learning Advisory Council (ELAC). This funding supports the compensation and travel expenses that DEL is required to reimburse ELAC members per RCW 43.03.240, 43.03.050, and 43.03.060. ELAC was created by the Legislature in 2007. Per RCW 43.215.090, ELAC membership cannot exceed 23 members and includes members of the Legislature, representatives from OFM, DEL, DSHS and other specified state agencies, and members from federally recognized tribes, local government, and community based organizations, and other specified representatives. ELAC representatives from around the state meet regularly to provide input and recommendations to the Department of Early Learning (DEL) so our strategies and actions are well-informed and broadly supported by parents, child care providers, health/safety experts and interested members of the public.

## **Narrative Justification and Impact Statement**

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

This advisory council impacts all DEL budgeted activities and expected outcomes, with the exception of Central Services. ELAC representatives meet regularly to provide input and recommendations to the Department of Early Learning (DEL), so our strategies and actions are well-informed and broadly supported by parents, child care providers, health/safety experts and interested members of the public.

### **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?***

The work of ELAC supports DEL's strategic plan goal #1 - Provide voluntary, high-quality early learning information and opportunities for children and families of Washington, and goal #3 - Build public awareness of and support for high-quality early learning opportunities.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

This package would support the Governor's World Class Education, Healthy and Safe Communities, and Efficient, Effective and Accountable Government Results Washington Priorities. ELAC provide important input and recommendations to DEL, so our strategies and actions are well-informed and broadly supported by parents, child care providers, health/safety experts and interested members of the public.

### ***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?***

All activities funded with General and Near-General Fund dollars were scrutinized prior to putting forth this proposal.

### ***What are the consequences of adopting or not adopting this package?***

Members of ELAC who are located throughout the State of Washington would not be reimbursed for their time and travel expenses per RCW 43.215.090(8). Is it likely that fewer ELAC members would attend meetings, decreasing the overall effectiveness of ELAC.

### ***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?***

Compensation and travel reimbursement requirements specified in RCW 43.215.090(8) would need to be eliminated.

### ***Expenditure and revenue calculations and assumptions***

\$12,795 in FY16 and \$18,240 in FY17 comprised of:

Goods and Services: \$6,397 in FY16 and \$9,120 in FY17.

Travel: \$6,398 in FY16 and \$9,120 in FY17.

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

All costs are ongoing.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
E Goods\Other Services	6,397	9,120	15,517
G Travel	6,398	9,120	15,518
<b>Total Objects</b>	<b>12,795</b>	<b>18,240</b>	<b>31,035</b>

**Agency:** 357 Department of Early Learning  
**Decision Package Code/Title:** O7 Community Engagement Capacity  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

The Department of Early Learning (DEL) requests \$951,000 and authority for 1.25 FTE for a Tribal Liaison Office, meetings of the Indian Policy Early Learning Committee (IPEL), implementation of the National Culturally and Linguistically Appropriate Services (CLAS) standards, coordination of translation and interpretation services, family engagement through the Parent Advisory Group (PAG), and Early Learning Regional Coalitions (ELRCs). Using client surveys, student counts and systems initiative evaluation methods, the Department will monitor for the effectiveness of this set of investments. In return, DEL expects increased participation in Early Achiever's quality rating, increased numbers of children receiving early intervention and home visiting services, increased numbers of tribal child care center staff earning degrees and certifications, increased opportunities for family engagement in children's learning and development, increased public support and commitment to early learning, and increased local funding raised by regional coalitions.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	478,000	473,000	951,000
<b>Total Cost</b>	<b>478,000</b>	<b>473,000</b>	<b>951,000</b>
<b>Staffing</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Annual Average</u></b>
FTEs	1.3	1.3	1.3

**Package Description:**

DEL and its partners are increasingly engaged with 29 federally recognized tribal governments, DEL's Early Learning Advisory Council (ELAC) and Parent Advisory Group (PAG), and 10 early learning regional coalitions (ELRCs) to strengthen how different parts of the state's early learning system work together to support children in Washington. These partnerships ensure that our early learning system continues to become more accessible, accountable, and culturally appropriate and relevant to what communities and parents desire to support child and family development. The partnerships also maximize local participation in improving the quality of early learning information, programs, services and supports.

DEL requests ongoing funding for a 1.0 FTE WMS2 Tribal Liaison, and 0.25 FTE support staff, which includes direct goods and services, travel, one-time equipment costs and intra-agency reimbursement for cost allocated agency administration and central services associated supporting these FTE totaling \$313,870 for the biennium.

DEL requests \$20,000 each fiscal year for costs associated with training and implementation of CLAS standards - \$40,000 for the biennium - and coordination with the Fiscal Office about translation and interpretation services, and \$10,000 each fiscal year - \$20,000 for the biennium - for PAG and IPEL meeting facilitation.

DEL requests \$38,565 each fiscal year to meet its statutory requirements around family engagement through supporting and convening DEL's Parent Advisory Group, and also for convening IPEL meetings - \$77,130 for the biennium.

DEL requests \$250,000 each fiscal year to fund the early learning regional coalitions - \$500,000 for the biennium.

The total requested amount for this decision package is \$951,000 for the biennium.

## **Narrative Justification and Impact Statement**

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

Through the work of the Tribal Liaison, implementation of CLAS standards and coordination for translation and interpretation, the Parent Advisory Group and the early learning regional coalitions, DEL expects:

--To see increased participation in Early Achiever's quality rating system in each year of the biennium due to additional outreach provided by the ELRCs and Tribal liaison.

--To see increases in the number of children receiving early intervention services, because ELRCs and the Tribal Liaison will be coordinating partners and sharing best practices for identifying and referring children.

--To see the number of children receiving home visiting increase for the same reason. Working with the Region X Administration for Children and Families and other partners, we expect to see an increase in the number of tribal child care center staff who earn degrees and certifications.

--Funding for this package should also increase opportunities for families to be engaged in their children's learning and development because of the culture, language, and family engagement components of this package.

--Due to the increased investment in the ELRCs, we expect to see an increase in public support and commitment to early learning, and the amount of local funding raised by regional coalitions.

--Completion and implementation of a plan to achieve full compliance with federal CLAS standards by the end of the biennium.

Using client surveys, student counts and system initiative evaluation methods, we will monitor for the effectiveness of this set of investments.

## **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?***

Yes.

Goal 1: Provide voluntary, high-quality early learning information and opportunities for children and families of Washington.

Objective 1.1 Align early learning programs under one quality framework, so that we use a common definition of quality across program settings and maximize system efficiency.

Essential to implementation of this policy is to engage tribal, state, and local governments and stakeholders in a fundamental

realignment of policy and practice related to early learning. The Tribal Liaison office will work with the tribal governments individually to set up systems of "implementation science based" alignment and program fidelity, informed and supported by the state Indian Policy Early Learning Committee, Parent Advisory Group, Early Learning Advisory Council, and Early Learning Regional Coalitions.

Objective 1.3 Support healthy development in strong families through DEL programs and policies.

Essential to DEL's Strengthening Families approach are the strategies of sharing the most effective and evidence-based tools regarding learning and healthy whole-child development across the domains, and creating a meaningful and realistic system for listening to the needs, preferences, and desires of the families living in Washington state and on the land of sovereign tribal nations. The Tribal Liaison Office will work with the IPEL committee and will facilitate collaboration between tribal, multicultural communities and DEL to build trust, enhance understanding, and improve the quality and effectiveness of early learning information, programs, services, and supports. The liaison will also strengthen government-to-government relations regarding policies affecting tribal communities and Indian people governed by sovereign tribal nations, help sustain early learning programs, and improve the cultural learning of DEL staff.

Implementing CLAS standards will assure that all families with young children are able to benefit equitably from DEL policies and programs, especially those designed to support strong families. The Parent Advisory Group will focus specifically on implementation strategies related to this objective. Early Learning Regional coalitions, which currently implement and coordinate programs, services and supports to support strong families will significantly increase their ability to help DEL meet this objective, by providing matching funding from local communities and extending the reach of DEL efforts.

Goal 3: Build public awareness of, and support for, high-quality early learning opportunities.

Objective 3.3 Strengthen capacity of families and communities to advise and inform statewide early learning policies.

This decision package is essential to strengthening the capacity of tribal governments, community partners and families to advise DEL's policies, programs services and supports. DEL does not currently have the capacity to support coordination and communication with tribal governments or support DEL's Parent Advisory Group.

***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

Yes.

1. Increase the percentage of children enrolled in high-quality early learning programs from 2013 baseline to targets per program

1.1.b. Increase number of children served in licensed child care settings and preschools participating in Washington's Quality Rating and Improvement System (QRIS) from Dec 2013 baseline of 60,719 children to 87,144 children by Dec 2015.

1.1. c. Increase percentage of infants and toddlers, who due to developmental delays receive early intervention services (Early Support for Infants and Toddlers, or ESIT) from 2013 baseline of 2.2% to national average of 2.4% by December 2015.

1.1. e. Increase the number of parents/families who have access to support through voluntary home visiting services by 10% from 2013 baseline by June 2015.

This decision package, by improving evidence-based outreach to tribal populations (via the Tribal Liaison and IPEL) and non-native populations (through expansion of the capacity of the ELRCs) will help DEL increase the percentage of children served in high-quality early learning programs, those programs participating in QRIS, and increase the percentage of children identified for ESIT and Home Visiting. The Tribal Liaison will work closely with DEL's Partnerships and Collaboration Division staff who manage ESIT and Home Visiting, and with the Quality Practice and Professional Growth (QPPG) Division, and will receive training on how to engage partners and communities in taking measurable actions toward these Results Washington priorities.

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

The Essentials for Childhood (EfC) grant at the Department of Health (DOH) is working to help families create safe stable and nurturing relationships and environments for all children. This Decision Package will enable the EfC goals to be reached with more depth and scope across tribal and non-tribal communities alike.

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

Previously, DEL assigned our Head Start State Collaboration Project Administrator to act as the Tribal Liaison at .25 capacity. The Director of DEL and others have found that to effectively communicate, support, develop relationships and respectfully engage Tribal Governments in development and implementation of Early Learning policy and programs, a dedicated staff member is necessary. Also, the projects DEL is undertaking with the tribes (tribally-relevant home visiting, Indian Policy Early Learning Committee, tribal early learning conference, etc.) are urgent.

Currently, the DEL director is acting as the Tribal Liaison in addition to her other duties. We recently posted the position of Tribal Liaison, and have received more than 150 applications. Tribal representatives have expressed that DEL needs to hire a liaison to meet the urgent needs of several projects, and to respect the government to government relationships necessary to complete priority projects and to improve services for native children and families. The Director of DEL has identified that currently she is only able to devote part time attention to acting as the tribal liaison herself and that the work merits the creation and assignment of a full-time staff person. However, because of current funding realities, the Agency is not able to complete the process of hiring the liaison until we are able to identify a sustainable funding source.

DEL currently has staff to support the implementation of National CLAS Standards and the Parent Advisory Group; however there are no alternative options for funding the meetings and trainings necessary to implement these activities.

Early learning regional coalitions currently receive only private and federal funding for capacity, infrastructure and specific early learning programs and initiatives. This amount does not provide the coalitions across the state with the capacity to significantly increase participation in Early Achievers, early intervention services and home visiting or expand family engagement in children's learning and development. State support is critical to building and strengthening community-based efforts.

***What are the consequences of adopting or not adopting this package?***

Without this package, DEL's ability to coordinate between and among state government partners, between state and tribal governments, and between state and local partners to increase statewide support and participation in Early Achievers quality improvement efforts and services such as early intervention and home visiting, and efforts to expand family engagement is severely limited.

***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?***

Implementation of CLAS standards may require WAC changes.

***Expenditure and revenue calculations and assumptions***

FTE, Salaries and Benefits: 1.25 FTE costing \$113,497 each year in FY16 and FY17 assuming:

--1.0 FTE WMS2 Tribal Liaison costing \$99,838 each fiscal year to perform the liaison work described above.

--.25 FTE Administrative Assistant 2 costing \$13,660 each fiscal year, to perform support functions needed for the liaison activities described above .

Professional Service Contracts: \$30,000 each year in FY16 and 17 comprised of:

--\$5,000 each fiscal year for PAG meeting facilitation, assuming quarterly meetings (4 meetings x \$1,250 per meeting = \$5,000).

--\$5,000 each fiscal year for IPEL meeting facilitation, assuming quarterly meetings (4 meetings x \$1,250 per meeting = \$5,000).

--\$20,000 each fiscal year for costs associated with training and implementation of CLAS standards.

Goods and Services: \$9,915 each year in FY16 and FY17, assuming:

- \$2,000 for PAG meeting room rentals (4 rentals x \$500 each = \$2,000).
- \$2,000 for IPEL meeting room rentals (4 rentals x \$500 each = \$2,000).
- \$3,000 for PAG member stipends (15 members x \$50 per meeting = \$750 per meeting, x 4 meetings = \$3,000).
- \$2,000 for PAG member child care (4 meetings x \$500 per meeting = \$2,000).
- \$165 for other goods and services for PAG meetings.
- \$938 for direct goods and services for FTE supplies and materials, training and communications, assuming a rate of \$750 per FTE per fiscal year ( $750 \times 1.25 = 938$ ).

Travel: \$32,400 each year in FY16 and FY17, assuming:

- \$3,000 each year for the WMS2 Tribal Liaison, and the AA2 if necessary, to travel to trainings and meetings, based on a rate of \$2,400 per FTE per fiscal year ( $1.25 \text{ FTE} \times \$2,400 = \$3,000$ ).
- \$14,700 each year for travel and per diem for an assumed 15 PAG members to attend quarterly meetings, comprised of \$7,840 for mileage, assuming an average round trip of \$250 miles for 14 members for 4 meetings ( $250 \text{ miles} \times 56 \text{ trips} = 14,000 \text{ miles} \times \$0.56 \text{ per mile} = 7,840$ ), \$3,360 for meals and light refreshment during meetings (15 members x \$56 average meal allowance each per meeting day = \$840 per meeting x 4 meetings = 3,360), \$2,472 for lodging (assuming 6 members needing overnight lodging x \$103 average lodging rate = \$618 per meeting x 4 meetings = \$2,472), \$800 for in-state air transportation (assuming 4 round trips for 1 member at \$200 each = \$800), and \$228 for miscellaneous travel expenses such as parking fees. It is assumed that 2 quarterly meetings will be held in Western Washington and 2 in Eastern Washington each fiscal year. Lodging and per diem rates were calculated based on the average of 4 counties: Thurston, King, Yakima and Chelan.
- \$14,700 each year for travel and per diem for an assumed 15 attendees at the quarterly meetings of the IPEG group, using the same travel detail numbers as for the PAG group.

Equipment (capital outlay): A \$5,000 one-time expenditure in FY16 for necessary office furniture and equipment for the WMS2 Tribal Liaison.

Client Service Contracts: \$250,000 each year in FY16 and FY17 to increase funding for the Early Learning Regional Coalitions (10 coalitions x \$25,000 each = \$250,000) This is to increase the capacity of coalitions to coordinate and connect resources and programs, such as early intervention and home visiting, in their communities, get information to families about the importance of high-quality early learning and increase local and state support for early learning.

Intra-agency Reimbursements: \$37,000 each year in FY16 and FY17 for indirect costs for agency administration and central services, calculated at 32.6 percent of salaries and benefits ( $113,497 \times 32.6\% = \$37,000$ ). This is for administration and management of the department including governance, executive management, fiscal operations, human resources, communications and outreach, government relations and agency information technology services. It is also for agency central services including space and utilities, data processing fees and equipment leases, communications, attorney general and audit services and other mandatory charges for services from the Department of Personnel and Department of Enterprise Services.

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

CLAS standards implementation - \$20,000 each year in FY16 and FY17 - and equipment - \$5,000 in FY16 - are one-time costs. The rest of the costs would be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	84,039	84,039	168,078
B Employee Benefits	29,458	29,458	58,916

C	Professional Svc Contracts	30,000	30,000	60,000
E	Goods\Other Services	10,103	10,103	20,206
G	Travel	32,400	32,400	64,800
J	Capital Outlays	5,000		5,000
N	Grants, Benefits & Client Services	250,000	250,000	500,000
T	Intra-Agency Reimbursements	37,000	37,000	74,000
<b>Total Objects</b>		<b>478,000</b>	<b>473,000</b>	<b>951,000</b>