

Multiple Agency Fiscal Note Summary

Bill Number: 1491 2E 2S HB	Title: Early care & education systm
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Estimated Cash Receipts

Agency Name	2015-17		2017-19		2019-21	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Washington State Patrol	0	29,934	0	26,028	0	15,624
Department of Early Learning	0	106,616	0	107,552	0	103,256
Total \$	0	136,550	0	133,580	0	118,880

Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.0	49,500	49,500	.0	0	0	.0	0	0
Washington State Patrol	.1	0	24,100	.1	0	19,100	.1	0	10,400
Department of Social and Health Services	Fiscal note not available								
Department of Early Learning	32.6	135,794,635	135,794,635	33.2	190,548,203	190,548,203	33.2	195,025,157	195,025,157
The Evergreen State College	.2	63,012	63,012	.2	65,239	65,239	.6	197,042	197,042
Total	32.9	\$135,907,147	\$135,931,247	33.5	\$190,613,442	\$190,632,542	33.9	\$195,222,199	\$195,232,599

Estimated Capital Budget Impact

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

Prepared by: Rayanna Williams, OFM	Phone: (360) 902-0553	Date Published: Preliminary 7/21/2015
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

ENPID: 42330

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1491 2E 2S HB	Title: Early care & education system	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 07/01/2015
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 07/06/2015
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 07/06/2015
OFM Review: Regan Hesse	Phone: (360) 902-0650	Date: 07/06/2015

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

2E2SHB 1491 creates the early start account. Earnings from investments will be credited to the general fund.

Estimated earnings from investments are indeterminable because projected cash flows are needed to make the estimate and are currently unavailable. Earnings for an account are a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period under review. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average daily balances, and hence different earnings.

For illustrative purposes, assume based on the May 2015 revenue forecast that approximately \$2,800 in FY 16, \$11,800 in FY 17, \$30,000 in FY 18, and \$35,000 in FY 19 in net earnings would be gained or lost annually for every \$1 million shift in average daily cash balances.

Debt Limit:

There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

2E2SHB 1491 creates the early start account. Earnings from investments will be credited to the general fund.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1491 2E 2S HB	Title: Early care & education system	Agency: 105-Office of Financial Management
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
Account					
General Fund-State 001-1	49,500	0	49,500	0	0
Total \$	49,500	0	49,500	0	0

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 07/01/2015
Agency Preparation: Stephanie Lidren	Phone: (360) 902-3056	Date: 07/02/2015
Agency Approval: Aaron Butcher	Phone: 360-902-0406	Date: 07/02/2015
OFM Review: Regan Hesse	Phone: (360) 902-0650	Date: 07/02/2015

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill relates to improving quality in the early care and education system. Section 13(1) requires the education data center (ERDC) to collect longitudinal, student-level data on all children attending a working connections child care program or an early childhood education and assistance program.

It is assumed the Department of Early Learning is responsible for the reports in Section 13(2).

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

For Section 13(1) of the bill, the ERDC would need to contract with Enterprise Technical Services at the Department of Enterprise Services to construct a data cube containing all the necessary data for the reports in Section 13(2). This would require up to 600 hours of time from a combination of a business analyst, a data modeler, a business intelligence architect and a data base administrator at the cost of approximately \$49,500 in FY 2016.

It is assumed the Department of Early Learning is responsible for the reports in Section 13(2). If the ERDC becomes responsible for the reports, additional resources would be required to design the reports, conclude data sharing agreements if needed, produce the reports, and provide support for users of the reports.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	49,500		49,500		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$49,500	\$0	\$49,500	\$0	\$0

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1491 2E 2S HB	Title: Early care & education system	Agency: 225-Washington State Patrol
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
Fingerprint Identification Account-State 225-1	26,028	3,906	29,934	26,028	15,624
Total \$	26,028	3,906	29,934	26,028	15,624

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.2	0.0	0.1	0.1	0.1
Account					
Fingerprint Identification Account-State 225-1	21,300	2,800	24,100	19,100	10,400
Total \$	21,300	2,800	24,100	19,100	10,400

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 07/01/2015
Agency Preparation: Shawn Eckhart	Phone: 360-596-4080	Date: 07/06/2015
Agency Approval: Mary Thygesen	Phone: 360 596-4046	Date: 07/06/2015
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 07/06/2015

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Subsection 8(3) of Second Engrossed Second Substitute House Bill 1491 requires that the Department of Early Learning (DEL) adopt rules requiring early childhood education and assistance program employees who have access to children submit to a fingerprint background check. Procedures for these fingerprint background checks are the same as in RCW 43.215.215.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Per the DEL's estimate, there will be the following increased background checks by fiscal year:

FY 2016: 1,446
FY 2017: 217
FY 2018: 217
FY 2019: 1,229
FY 2020: 434
FY 2021: 434

Assuming electronic submissions, the Washington State Patrol (WSP) charges \$30.75 for these checks, of which \$14.75 is the FBI fee (\$12.75 passed to the FBI and \$2.00 retained by WSP). The balance of the fee (\$16.00) is WSP's fee, leaving total revenue to the Fingerprint Identification Account of $\$2 + \$16 = \$18$ per background check.

Estimated additional annual revenue for the Fingerprint Identification Account is:

FY 2016: $1,446 \times \$18 = \$26,028$
FY 2017: $217 \times \$18 = \$3,906$
FY 2018: $217 \times \$18 = \$3,906$
FY 2019: $1,229 \times \$18 = \$22,122$
FY 2020: $434 \times \$18 = \$7,812$
FY 2021: $434 \times \$18 = \$7,812$

NOTE: The WSP plans to increase the background check fees on July 1, 2015, including the electronic fingerprint-based fee from \$16 to \$20. That extra \$4 per check would add \$5,784 in FY 2016, \$868 in each of FY 2017 and FY 2018, \$4,916 in FY 2019, and \$1,736 in each of FY 2020 and FY 2021.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The WSP's Identification Section estimates that 2E2SHB 1491 will impact its workload equivalent to 0.21 FTE in FY 2016, 0.03 FTE in each of FY 2017 and FY 2018, 0.18 FTE in FY 2019, and 0.06 FTE in each of FY 2020 and FY 2021. Estimates for goods and services, travel and equipment are based on our rule-of-thumb costs per

FTE, which are derived from historical expenditures.

The WSP's indirect cost rate is based on the agency's negotiated federal rate of 25.63%. This rate is calculated on all categories of expenditures except capitalized equipment and is for the agency's administrative support costs associated with this bill. Support costs include items such as computer and telecommunications support, payroll processing and vendor payments, contract administration, ordering, accounting for and distribution of supplies, and human resource services.

If the workload increase is greater than anticipated, we will request additional funding through the normal budget process.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.2	0.0	0.1	0.1	0.1
A-Salaries and Wages	9,400	1,300	10,700	9,300	5,200
B-Employee Benefits	4,100	600	4,700	4,100	2,000
C-Professional Service Contracts					
E-Goods and Other Services	1,200	200	1,400	1,200	600
G-Travel	300		300	200	200
J-Capital Outlays	2,400	100	2,500	400	200
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Indirect Costs	3,900	600	4,500	3,900	2,200
Total:	\$21,300	\$2,800	\$24,100	\$19,100	\$10,400

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2016	FY 2017	2015-17	2017-19	2019-21
Fingerprint Technician 2	3,726	0.2	0.0	0.1	0.1	0.1
Total FTE's	3,726	0.2	0.0	0.1	0.1	0.1

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

There are no required rule changes for the WSP from this legislation.

Individual State Agency Fiscal Note

Bill Number: 1491 2E 2S HB	Title: Early care & education system	Agency: 357-Department of Early Learning
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
Indivi-Based/Portable Background Check Clearance Acct-Non-Appropriated 17M-6	17,352	2,604	19,956	17,352	10,416
Early Achievers Rating Fee-Non-Appropriated New-6	42,880	43,780	86,660	90,200	92,840
Total \$	60,232	46,384	106,616	107,552	103,256

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	32.0	33.3	32.6	33.2	33.2
Account					
General Fund-State 001-1	48,249,186	87,545,449	135,794,635	190,548,203	195,025,157
Total \$	48,249,186	87,545,449	135,794,635	190,548,203	195,025,157

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

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- ☒ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 07/01/2015
Agency Preparation: John Rich	Phone: 360 725-4513	Date: 07/08/2015
Agency Approval: Mike Steenhout	Phone: (360) 725-4920	Date: 07/08/2015
OFM Review: Rayanna Williams	Phone: (360) 902-0553	Date: 07/21/2015

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

DIFFERENCES BETWEEN 2E2SHB 1491 and 1491 E2SHB AMS WM S2963.1

Section 2(7)(b)(i) delays the implementation date for DEL to publish provider rating levels from August 1, 2015 to November 1, 2015.

Section 2(12) requires the DEL to explore the use of alternative quality assessment tools that meet the culturally specific needs of the federally recognized tribes in the state of Washington.

Section 3(1) requires DEL to produce the single set of licensing standards by November 1, 2016, within the Department's available appropriations, not July, 2016 as in the prior bill version.

Section 3(2) clarifies that by November 1, 2016, private schools that operate early learning programs and do not receive state subsidy payments shall be subject only to the minimum health and safety standards developed by the DEL and the requirements necessary to assure a sufficient early childhood education to meet usual requirements needed for transition into elementary school. This section also specifies that the state, and any agency thereof, must not restrict or dictate any specific educational or other programs for early learning programs operated by private schools except for programs that receive state subsidy payments.

Section 4(2)(b) exempts before-school and after-school programs that serve only school age children and operate in the same facilities used by public or private schools from any requirements related to the physical facility, including outdoor playgrounds.

Section 6(2) provides for 12 month authorizations in the WCCC program regardless of a change in circumstances, effective July 1, 2016, unless an earlier date is provided in the omnibus appropriations act.

Section 6(3) providing for ninety day authorizations for WCCC recipients who experience a gap in approved activities was removed.

Section 7(2): WCCC reporting requirements of care needs and eligibility are eliminated effective July 1, 2016 or earlier if provided for in the budget.

Section 8(3) delays the implementation date for DEL to develop rules regarding the fingerprint background check system for ECEAP providers from August 1, 2015, to January 1, 2016. Former Section 8(3) requiring DEL adopt rules on ECEAP child absence and de-enrollment was removed.

Section 9(4)(a) and 9(5) delay all August 1, 2015 implementation dates to October 1, 2015, in order to allow for 90 days following the end of special session.

Section 12(2) was added delaying the date that full implementation must be achieved for the ECEAP from the 2018-19 school year to the 2020-21 school year.

Section 12(5) was added removing the requirement that the funding for full statewide implementation of the

ECEAP be phased in incrementally and instead requires the funding to be phased in.

Section 13(5)(a) requires DEL to provide recommendations to the Legislature on child attendance policies pertaining to the WCCC program and the ECEAP by December 1, 2015. This is to be accomplished within DEL appropriations.

Section 16(9) consolidates reporting requirements regarding providers' progress in the Early Achievers program, including the early learning program implementation report, into the annual progress report. The annual progress report must be conducted by DEL in collaboration with the statewide child care resource and referral organization, and the Early Achievers Review Subcommittee (Subcommittee) and submitted to the Governor and the Legislature. The first report is due December 15, 2015. This section also requires the review conducted by the Subcommittee to be applied to the annual progress report.

Section 16(9)(c): "Tribal governments" was added to the list of entities representatives of which must be on the early achievers review subcommittee.

Section 18(1): The annual progress report due date was changed from December 1 to December 15 of each year. DEL is required to collaborate with the state's resource and referral organization in submitting a progress report to the legislature on early achievers progress. The report now must also include the number of providers who've completed rating readiness and are waiting to be rated, the number who have not achieved the rating level initially but qualified for and are working through targeted support in preparation for a partial rerate, and who did not achieve the rating level and engaged in remedial activities before successfully achieving it. It must also state the average amount of time required for providers to achieve level milestones within each level, include an analysis of impact from quality strengthening efforts, the number of contracted slots using both WCCC and ECEAP funding and a description of ECEAP program implementation.

Section 18(3) requires that the elements to be reported under 18(1) must be reported on the county level or zip code level.

Section 18(4) requires that if fifteen percent or more of licensed or contracted providers are not achieving rating levels, DEL must analyze reasons and develop a plan to mitigate the effect on families.

Section 20(1)(a) clarifies that if a legislative member of the Joint Select Committee on Early Achievers appoints a designee, that designee must also be a member of the specified legislative committee.

Section 20(1)(b) requires the chair of the House of Representatives Early Learning and Human Services Committee, or his or her designee, and the chair of the Senate Early Learning and K-12 Education Committee, or his or her designee, to convene the initial meeting of the Joint Select Committee on Early Achievers.

Section 20(2), 20(3), 20(7) and 20(8) delay the implementation dates for the Joint Select Committee by one year.

Former Section 23 making Section 7 regarding WCCC reporting requirements effective January 1, 2016 was removed. Section 7 now specifies an effective date of July 1, 2016, or earlier if provided for in the budget.

2E2SHB 1491 DESCRIPTION:

Section 2(1) requires the Department of Early Learning (DEL) to collaborate with tribal governments in implementing Early Achievers.

Section 2(3)(a) requires that licensed centers and family home child care programs serving non-school age children participate in Early Achievers by required deadlines.

Section 2(3)(b) requires Early Childhood Education and Assistance Programs (ECEAP) receiving state funded support to participate in Early Achievers by required deadlines.

Section 2(3)(c) specifies that licensed centers and family homes not receiving state subsidy payments and early learning programs not receiving state funds are not required to participate in Early Achievers.

Section 2(3)(d) requires the DEL and Office of the Superintendent of Public Instruction to jointly develop a pilot program to test implementation of the Early Achievers system for school age child care providers and implement a pilot program.

Section 2(4) requires DEL to rate the level of Early Achievers participants.

Section 2(5) requires DEL to streamline and eliminate duplication between early achievers standards and state child care rules in order to reduce costs associated with the early achievers rating cycle and child care licensing.

Section 2(6)(b-c) allows DEL to charge a fee, based on, but not to exceed the cost of, the class of activities associated with the Early Achievers program, for optional additional Early Achievers re-ratings requests made by program participants outside the established rating cycle.

Section 2(7)(a) requires DEL to create a single source of information for parents and caregivers to access details on a provider's Early Achievers rating level, licensing history, and other indicators of quality and safety.

Section 2(7)(b) requires DEL to publish on its web site, or provide a link to the following information: By November 1, 2015 the Early Achievers program rating levels one through five for all child care programs receiving state subsidy, early childhood education and assistance programs (ECEAP), and Washington Head Start programs; new early achievers program ratings within 30 days after a program becomes licensed or certified, or receives a rating.

Section 2(7)(c) requires DEL to publish early achievers rating levels on its site in a manner that is easily accessible and takes into account the linguistic needs of parents and caregivers.

Section 2(7)(d) requires DEL to publish Early Achievers program rating levels for programs that do not receive subsidy but have voluntarily joined Early Achievers.

Section 2(7)(e) states that Early Achievers participants who have published rating levels on DEL's website or on a link on the website may include a brief description of their program, contingent on review and approval by DEL, as determined by established marketing standards.

Section 2(8)(a-b) requires DEL to create a professional development pathway for Early Achievers participants to obtain a high school diploma or equivalency or higher education credential in early childhood education, early

childhood studies, child development, or an academic field related to early care and education. The pathway must include scholarship and grant opportunities to assist participants with the costs of obtaining an educational degree.

Section 2(8)(c) requires DEL to address cultural and linguistic diversity when developing the pathway.

Section 2(9) requires DEL to pay Early Achievers quality improvement awards for participants with at least five percent of children receiving a state subsidy.

Section 2(10) requires DEL, in collaboration with tribal governments and community and statewide partners, to develop a protocol for granting Early Achievers participants an extension in meeting rating level requirement timelines for the Working Connections Child Care (WCCC) program and ECEAP.

Section 2(10)(a) states that extensions in rating level requirement timelines may be granted under exceptional circumstance such as when participants experience an unexpected life circumstance.

Section 2(10)(b-c) limits extensions to six months duration and one instance and to Early Achievers participants who have demonstrated engagement in the program.

Section 2(10)(d) requires a report outlining the early achievers program extension protocol to be delivered to the appropriate committees of the legislature by December 31, 2015.

Section 2(11) requires DEL to accept nationally accredited programs with standards that meet or exceed the Early Achievers program standards as a qualification for the Early Achievers program ratings, and specifies that eligibility for the Early Achievers program is not subject to bargaining consistent with the Legislature's reservation of rights under RCW 41.56.028(4)(d).

Section 2(12) requires the DEL to explore the use of alternative quality assessment tools that meet the culturally specific needs of the federally recognized tribes in the state of Washington.

Section 2(13) requires child and early learning programs operated by a federally recognized tribe and that receive state funds to participate in Early Achievers. Tribes may do so through an inter-local agreement with DEL, which must provide that the facility may, but is not required to, be licensed by DEL, that the facility's Early Achievers rating may, but is not required to, be published to DEL's website, and that facilities' must tell parents their Early Achievers level upon request.

Section 2(14) requires DEL to consult with the Early Achievers review subcommittee on all substantial policy changes to the program.

New Section 3(1) requires DEL to adopt a single set of licensing standards no later than November 1, 2016 for child care and the early childhood education and assistance program within DEL's appropriation. They must provide minimum health and safety standards, rely on early achievers standards, take into account separate needs of family care providers and centers, and promote the continued safety of child care settings.

New Section 3(2) states that private schools operating early learning programs and not receiving state subsidy payments shall be subject only to the minimum health and safety standards for child care and preschool programs and the requirements necessary to assure a sufficient early childhood education to meet usual requirements

needed for transition into elementary school. The state, and any agency thereof, shall not restrict or dictate any specific educational or other programs for early learning programs operated by private schools except for programs that receive state subsidy payments.

Section 4(2)(b) exempts before-school and after-school programs that serve only school age children and operate in the same facilities used by public or private schools from any requirements related to the physical facility, including outdoor playgrounds.

New Section 5(1)(a) requires DEL, in collaboration with tribal governments and community and statewide partners, to implement a protocol to maximize and encourage participation in Early Achievers for culturally diverse and low-income center and family home child care providers. Amounts appropriated for encouragement of culturally diverse and low-income center and family home provider participation in early achievers must be appropriated separately from other DEL appropriations, are the only funds that may be used for the protocol, and may not be used for any other purpose. The funds must be considered an ongoing program for purpose of future departmental budget requests.

New Section 5(1)(b) requires DEL, during the first thirty months of Early Achievers implementation, to prioritize resources authorized under this section to assist providers rating at Early Achievers Level 2 to help them reach Level 3 wherever access to subsidized care is at risk.

New Section 5(2)(a) requires, pursuant to this section, the creation of a substitute pool.

New Section 5(2)(b) requires, pursuant to this section, the establishment of needs-based grants for providers at Early Achievers level 2 to assist with purchasing curriculum development, instructional materials, supplies, and equipment to improve program quality. Culturally diverse and low-income providers are prioritized for the needs-based grants.

New Section 5(2)(c) requires DEL to develop materials and assessments, to the extent feasible and in a timely manner, in the provider and family home languages.

New Section 5(2)(d) requires DEL to develop flexibility in technical assistance and coaching structures to provide differentiated types and amounts of support to providers based on individual need and cultural context.

Section 6(2) removes language stating that 12 month eligibility in WCCC is subject to reauthorization sooner than 12 months due to change in circumstances, and inserts language indicating that 12 month eligibility under WCCC should be consistent with Child Care and Development Block Grant (CCDBG) Act reauthorization. These changes become effective July 1, 2016 unless an earlier date is provided in the budget.

Section 6(3) provides WCCC authorizations for up to 90 days for consumers who experience gaps in approved activities during their WCCC eligibility periods. The recipient must be looking for another job or have verbal or written assurance from the approved activity that it will recommence within the 90 days. Language providing for 12 month eligibility regardless of changes in circumstances was removed.

Section 6(4) requires, effective July 1, 2016, that a new child care provider serving non-school age children and receiving state subsidy payments must enroll in early achievers within thirty days of receiving the initial subsidy payment, complete Early Achievers level 2 activities within twelve months of enrollment, and rate as an Early Achievers level 3 within thirty months of enrollment. If the provider rates below a level 3 the provider must

complete remedial activities and rate level 3 or higher within six months of beginning remedial activities.

Section 6(6) states that if a provider has completed all of level 2 activities and is waiting for a rating by deadline provided in this section, the provider may continue to receive state subsidy pending successful completion of the level 3 rating activity.

Section 6(7) requires DEL to pay Early Achiever participants in the Working Connections Child Care program a tiered reimbursement for rating at level of 3, 4 or 5.

Section 6(8) requires DEL to account for a child care copayment collected by the provider from the family for each contracted slot and establish the fee in rule.

Section 7(2): WCCC reporting requirements of care needs and eligibility are eliminated effective July 1, 2016 or earlier if provided for in the budget.

Section 8(3) requires DEL to adopt rules requiring all ECEAP program staff who have unsupervised access to children to submit a fingerprint background check by January 1, 2016.

Section 9(4)(a) requires existing ECEAP providers, in order to be eligible to receive state-funded support under the ECEAP program, to enroll in early achievers by August 1, 2015.

Section 9(4)(b) requires existing ECEAP providers, in order to be eligible to receive state-funded support under the ECEAP program, to rate a level 4 or 5 in early achievers by January 1, 2016 or complete remedial activities and rate a level 4 or 5 within six months of beginning remedial activities.

Section 9(5)(a) Effective August 1, 2015, requires new ECEAP providers, in order to be eligible to receive state-funded support under the ECEAP program, to enroll in early achievers within 30 days of the ECEAP contract start date.

Section 9(5)(b)(i) Effective August 1, 2015, requires new ECEAP providers, in order to be eligible to receive state-funded support under the ECEAP program, to rate a level 4 or 5 in early achievers within 12 months of enrollment or complete remedial activities and rate a level 4 or 5 within six months of beginning remedial activities.

Section 9(5)(b)(ii) Effective August 1, 2015, requires licensed or certified child care centers and family homes that administer an ECEAP, in order to be eligible to receive state-funded support under the ECEAP program, to rate a level 4 or 5 in early achievers within 18 months of enrollment or complete remedial activities and rate a level 4 or 5 within six months of beginning remedial activities.

Section 9(6) States that if an ECEAP provider has completed all activities and is waiting to be rated by the deadline provided in this section, the provider may continue to participate in early achievers and receive state subsidy pending successful completion of the level 4 or 5 rating. DEL may allow ECEAP providers rated below level 4 after completion of the remedial period to provide services until the current school year is finished.

Section 9(7) requires DEL to periodically collect data to determine demand for full-day ECEAP programming. DEL must analyze demand by geographic region and include the findings in the annual report required in Section 18.

Section 9(8) requires DEL to develop a pathway for child care center and family home providers to administer an ECEAP by December 1, 2015.

Section 10 removes the requirement that public or private organizations be "nonsectarian" when reviewing ECEAP provider applications.

Section 11: Programs with the following characteristics will be prioritized for ECEAP implementation for the school year 2015-16: programs located in a high-need geographical area; programs offering extended day early care and education programming; providers participating in early achievers rated at level 3, 4, 5; programs offering services to children diagnosed with a special need; programs offering services to children involved in the child welfare system.

Section 12(2) delays the date that full implementation must be achieved for the ECEAP from the 2018-19 school year to the 2020-21 school year.

Section 12(5) removes the requirement that the funding for full statewide implementation of the ECEAP be phased in incrementally and instead requires the funding to be phased in.

New Section 13(1) requires the education data center to collect longitudinal, student-level data on all children attending an ECEAP, and, upon completion of an electronic time and attendance record system, on all children attending a WCCC program.

New Section 13(2) requires DEL to provide providers data collected under this section that are specific to the provider's program upon completion of an electronic time and attendance record system.

New Section 13(3)(a) requires DEL to review available research and best practices on cultural competency in early learning settings and requires DEL to review K-12 components for cultural competency developed by the professional educator standards board and identify components appropriate for early learning professional development.

New Section 13(3)(b) requires DEL, by July 31, 2016, to provide recommendations to the Legislature and the early learning advisory council on research-based cultural competency standards for early learning professional training.

Section 13(5)(a) requires DEL to provide recommendations to the Legislature on child attendance policies pertaining to the WCCC program and the ECEAP by December 1, 2015.

New Section 14(1) states that DEL may provide WCCC services by vouchers and contracts.

New Section 14(2) requires that only child care providers participating in Early Achievers at level 3, 4 or 5 are eligible for a contracted slot.

New Section 14(3) requires DEL to use data to set contracted slots targets. There must be a balance of family home and center child care programs and an overall geographic distribution. The targeted contracted slots are programs located in low-income neighborhoods and that consist of at least fifty percent of children receiving subsidy per RCW 43.215.135. It also requires DEL, until August 1, 2017, to assure an even distribution of

contracted slots for children birth to age five.

New Section 14(4) requires that the remaining contracted slots be awarded by a competitive process. Prioritization will occur with at least one of these characteristics: high-need geographic area; partnering with elementary schools to assist with transition of children to kindergarten; children in child welfare system or diagnosed with special needs.

New Section 14(5) requires DEL to pay a provider for each contracted slot unless the slot is not used for 30 days.

New Section 14(6) requires DEL to include in the report required under Section 18 the number of contracted slots using both ECEAP and WCCC funds.

New Section 15 allows local governments to contribute funds to DEL for building capacity and quality in local early care and education programming and reductions in copayments charged to parents or caregivers. These funds must be deposited in the early start account created in New Section 16.

Section 16(9)(a) requires the Early Learning Advisory Council to convene an early achievers review subcommittee to provide feedback and guidance on strategies to improve quality of instruction and environment for early learning and recommendations on implementation of early achievers. The subcommittee's review must be a part of the report required under Section 18.

Section 16(9)(b) requires that the subcommittee must consider cultural and linguistic responsiveness when analyzing areas for review under (a).

Section 16(9)(c) details the composition of the subcommittee and requires representatives from diverse cultural and linguistic backgrounds.

New Section 16 creates the early start account in the state treasury. Revenues shall consist of appropriations by the legislature and all other sources deposited into this account. Expenditures are only for early care and education programming and overseen by the Department.

Section 18(1): The annual progress report due date was changed from December 1 to December 15 of each year. DEL is required to collaborate with the state's resource and referral organization in submitting a progress report to the legislature on early achievers progress.

Section 18(3) requires that the elements to be reported under 18(1) must be reported on the county level or zip code level.

Section 18(4) requires that if fifteen percent or more of licensed or contracted providers are not achieving rating levels, DEL must analyze reasons and develop a plan to mitigate the effect on families.

New Section 18 requires DEL, beginning December 15, 2015, in collaboration with the state's resource and referral organization and the Early Achievers Review Subcommittee, to submit annually a progress report to the governor and legislature regarding providers' progress in early achievers. The report must include the number and providers by region enrolled in early achievers who have complete level 2 activities, rated a level sufficient for ECEAP or WCCC funds, failed to achieve the required rating level and sought remedial activities, a review of services for providers and children from diverse cultural backgrounds, examination of efforts to increase

participation by culturally and linguistically diverse providers and providers serving low-income households, a description of obstacles to participation, a summary of extension exception circumstances, analysis of early achievers rating distribution, and recommendations for improving access and program standards. The report must also include the number of providers who've completed rating readiness and are waiting to be rated, the number who have not achieved the rating level initially but qualified for and are working through targeted support in preparation for a partial rerate, and who did not achieve the rating level and engaged in remedial activities before successfully achieving it. It must also state the average amount of time required for providers to achieve level milestones within each level, include an analysis of impact from quality strengthening efforts, the number of contracted slots using both WCCC and ECEAP funding and a description of ECEAP program implementation.

New Section 19 defines, or modifies existing definitions of, the terms "ECEAP contractor", "ECEAP provider", "extended day program", "full day program", "low income child care provider" and "low income neighborhood", "non-school age child", "part day program", "private school", and "school age child".

New Section 20 establishes a joint select committee on the Early Achievers with members and co-chairs from the Legislature. Under New Section 20(2) the committee, between July 1, 2018 and December 1, 2018, must review demand and availability of licensed family homes and centers, ECEAP and Head Start programs, and FFN caregivers by geographic region, including rural and low income areas. The review must also look at geographic distribution of program type and subsidy receipt, enrollment in early achievers, and rating levels; demand for major ethnic populations. Under New Section 20(3) the committee must make recommendations to the Legislature by December 1, 2018 on sufficiency of funding for early achievers, need for targeted funding in geographic regions, and whether to modify early achievers deadlines.

New Section 21 repeals Chapter 16 Section 2 of 2013 Session Laws of the State of Washington Second Special Session requiring a 10 percent increase in ECEAP enrollment, and increasing rates paid for ECEAP program enrollments by 10 percent, during biennium 2013-15.

New Section 22 makes Section 7 eliminating WCCC consumer notification requirements effective January 1, 2016.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Section 2(5) grants the Department of Early Learning (DEL) the authority to determine the rating cycle for child care providers participating in the early achievers program.

Section 2(5)(c) states that the first rating is free for program participants.

Section 2(5)(d) states that each subsequent rating within the established rating cycle is free for program participants.

Section 2(6) establishes that program participants may request to be rerated outside the established cycle and that DEL may charge a fee based on the actual cost to DEL for rerating activities. DEL estimates that 20 program participants will request rerating per fiscal year due to the cost of the rerating and the department's pre-rating assistance. The cost of rerating is estimated at 60 percent of the full rating costs as only selected areas are rerated. The estimated cost of rerating a child care provider is \$2,144 in Fiscal Year 2016, \$2,189 in Fiscal Year 2017, \$2,234 in Fiscal Year 2018, \$2,276 in Fiscal Year 2019, and then \$2,321 each fiscal year thereafter based upon

the contractor's projected actual costs. Cash receipts by fiscal year (for 10 years) are:

FY16: 42,880 (20 X \$2,144 = \$42,880)
FY17: 43,780 (20 X \$2,189 = \$43,780)
FY18: 44,680 (20 X \$2,234 = \$44,680)
FY19: 45,520 (20 X \$2,276 = \$45,520)
FY20: 46,420 (20 X \$2,321 = \$46,420)
FY21: 46,420 (20 X \$2,321 = \$46,420)
FY22: 46,420 (20 X \$2,321 = \$46,420)
FY23: 46,420 (20 X \$2,321 = \$46,420)
FY24: 46,420 (20 X \$2,321 = \$46,420)
FY25: 46,420 (20 X \$2,321 = \$46,420)

Section 8(3)

It is assumed that requiring all ECEAP staff who are to have unsupervised access to children to submit to a fingerprint background check. These program staff are comprised of lead teachers, assistant teachers and family support specialists. It is assumed that MERIT changes are needed and ECEAP staff would not start this process until January 2016.

Cash Receipts:

\$92,400 in fiscal years 2016-25 to process 7,700 background check applications, assuming the cost of the background check is \$12, the increase in revenue is as follows:

FY16: \$17,352 assuming 1,446 current staff positions (1,446 x \$12 = \$17,352).
FY17: \$2,604 assuming 217 new background checks resulting from staff turnover (217x \$12 = \$2,604).
FY18: \$2,604 assuming 217 new background checks resulting from staff turnover (217x \$12 = \$2,604).
FY19: \$14,748 assuming 217 new background checks resulting from staff turnover, 1,012 renewals (1,229 x \$12 = \$14,748).
FY20: \$ 5,208 assuming 217 new background checks resulting from staff turnover, 217 renewals (434x \$12 = \$5,208)
FY21: \$5,208 assuming 217 new background checks resulting from staff turnover, 217 renewals (434x \$12 = \$5,208)
FY22: \$15,144 assuming 217 new background checks resulting from staff turnover, 1,045 renewals (1,262 x \$12 = \$15,144)
FY23: \$7,032 assuming 217 new background checks resulting from staff turnover, 369 renewals (586 x \$12 = \$7,032)
FY24: \$7,032 assuming 217 new background checks resulting from staff turnover, 369 renewals (586 x \$12 = \$7,032)
FY25: \$15,468 assuming 217 new background checks resulting from staff turnover, 1,072 renewals (1,289 x \$12 = \$15,468)

Assumptions:

DEL assumes 1,643 staff would need Portable Background Checks under this section. This is based on 2014-15 school year positions of 576 lead teachers, 576 assistant teachers and 491 family support specialists. 12% of

ECEAP sites are in licensed child care and therefore already have the portable background check. Therefore we estimate that 88% of 1,643 staff need the portable background check ($1,643 \times 88\% = 1,446$).

DEL assumes a 15% turnover rate in lead teacher, assistant teacher and family support specialist positions in each of the fiscal years.

Portable background checks are renewed every three years.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 2(1):

This section requires collaboration with tribal governments in implementing Early Achievers and will require a new tribal liaison position classified as WMS2. This new staff would also coordinate with tribes in developing a protocol for granting Early Achievers participants an extension in meeting rating level requirement timelines for the Working Connections Child Care (WCCC) program and ECEAP as required in section 2(10). Additionally, this staff would coordinate with tribes to implement a protocol to maximize and encourage participation in Early Achievers for culturally diverse and low-income center and family home child care providers as required in section 5(1).

DEL assumes that the tribal liaison would visit each of the 29 federally recognized tribes at least four times a year taking up to 928 hours (0.45 FTE). The staff would coordinate regional meetings to conduct work required by sections 2(1), 2(10) and 5(1) estimated at 3 full day meetings per section, in five areas of the state, or 3 meetings x 3 bill sections x 5 locations x 8 hours = 360 hours (0.17 FTE). The remaining 792 (0.38 FTE) hours would be spent coordinating inter-local agreements under section 2(13), participating in other meetings at or outside of DEL, replying to e-mails, writing documents and other administrative tasks.

FTE, Salary and Benefits: 1.0 FTE WMS2 costing \$99,838 in each of fiscal years 2016 through 2021, assuming the mid-point of the WMS2 pay scale.

Goods and Services: \$750 each fiscal year for direct goods and services for the FTE.

Travel: \$10,000 in each of fiscal years 2016-2021 for attendance at national conferences on Native American education and child care, and for travel to meet with the 29 federally recognized tribes in Washington State and other organizations.

Equipment: A one-time expenditure of \$6,000 in fiscal year 2016 for necessary office furniture and equipment for the FTE.

Intra-agency Reimbursements: \$32,547 in each of fiscal years 2016-2021 for indirect costs for agency administration and central services, calculated at 32.6 percent of direct salaries and benefits ($\$99,838 \times 32.6\% = \$32,547$). 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 computer leases, communications, attorney general and audit services and other mandatory charges for services from the Office of Administrative Hearings, Secretary of State, Department of Enterprise

Services, and other central service agencies.

Section 2(3)(d):

Professional Services Contracts: \$250,000 in Fiscal Year 2016 and \$750,000 in Fiscal Year 2017.

This section requires DEL to design a plan and pilot a school-age connection to Early Achievers in licensed facilities serving children age 5-12 years in before- and afterschool settings. DEL will enter into a contract to design the plan and pilot it in 5 geographic areas of the state. Funding will support: 1) contracts to 5 educational organizations (that have successfully won a competitive bid to run the pilot local) to support regional coordination of pilot activities and 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. Pilot planning and design will occur during the first half of Fiscal Year 2016; these costs will be absorbed within DEL's current capacity. RFPs, training, staffing and preparation for pilot roll out will occur during the second half of Fiscal Year 2016. Total contractual costs in Fiscal Year 2016 are \$250,000. The school age pilot will commence in the beginning of Fiscal Year 2017 and total contractual costs will be \$750,000. These costs are based on the original QRIS pilot for the 0-5 population, which was implemented in a similar manner. As a pilot, there are no ongoing costs.

Section 2(5):

DEL will meet this requirement by extending its existing contracts for raters, technical assistance, and software licenses to increase early achiever participation rates to an average of 90 percent of all licensed child care (WCCC and non-WCCC), ECEAP, and Head Start providers in each of Fiscal Years 2016-21.

Note for WCCC:

In order to forecast costs associated with mandatory Early Achievers participation, DEL makes the following assumptions:

--The Early Achievers participation rates for Working Connections Child Care providers is 100% for providers serving non-school aged children, starting fiscal year 2016. This participation level is assumed as the participation rate over the duration of the fiscal year, and does not reflect a point in time account.

--Provider churn is expected. New providers enter the system during any given year and providers exit in the same period.

--Due to churn, a point in time count of EA providers may range from 93 - 95% participation, factoring in a lag of 30 days or less for a new provider to enter the system and enroll in EA consistent with the 30-day enrollment requirement mandated by the bill.

--The result of provider churn will be short-term fluctuations in participation levels during the given fiscal year.

--The combined impact of entering and exiting providers will net to zero over the course of year, therefore, no additional costs or notable savings are assumed as a result of this churn.

The expense line items Ratings and Monitoring, Rating Tool, Coaching, Technical Assistance (Level II), Training (Level II), School Readiness Training, Coach Training and EA Institutes, Quality Improvement Awards,

ECEAP/ HS Incentives, Information Materials and Dissemination, Core Services/ Network, IT Support, Program Evaluation, Technical Assistance and Expansion, Research and Data Analysis, and Program Staff are current ratings activities underway in Early Achievers. Total costs by Fiscal Year for the following 16 line items roll up as follows: \$49,109,288 in Fiscal Year 2016, \$53,598,534 in Fiscal Year 2017, \$61,326,767 in Fiscal Year 2018, \$68,163,008 in Fiscal Year 2019, and \$69,179,143 in Fiscal Year 2020, and \$69,179,143 in Fiscal Year 2021.

Professional Service Contracts:

FY16: \$ 47,870,246

FY17: \$ 52,543,660

FY18: \$ 60,182,188

FY19: \$ 67,012,029

FY20: \$ 68,022,316

FY21: \$ 68,022,316

Comprised of the following:

--Ratings contractual costs total \$3,722,702 in Fiscal Year 2016 and \$4,741,578 in Fiscal Year 2017. 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. In Fiscal Year 2016 DEL forecasts that its partner the University of Washington (UW) will rate 1,042 centers and homes, inclusive of rating renewals. The base cost per rating in 2015 is \$3,500. Cost per rating in Fiscal Year 2016 is \$3,574. Beginning in Fiscal Year 2017, DEL assumes a 5% cost savings in ratings once an alternate pathway for national accreditation is established. These savings are realized in the ratings costs associated with centers and homes. These cost savings are not applied to the ratings costs associated with ECEAP/ Head Start facilities. These savings are only realized in the ratings costs associated with licensed centers and homes that accept subsidy. These cost savings are not applied to the ratings costs associated with ECEAP/ Head Start facilities. In Fiscal Year 2017 DEL forecasts that UW will rate 1,359 centers and homes, inclusive of renewals. Cost per rating in Fiscal Year 2017 is \$3,649. Ongoing costs for these activities are \$6,850,558 for fiscal year 2018, \$6,256,078 for Fiscal Year 2019, and \$4,995,338 for each of Fiscal Years 2020-21. In Fiscal Year 2018 DEL forecasts that UW will rate 1,902 centers and homes, including renewals. In Fiscal Year 2019 DEL forecasts that UW will rate 1,724 centers and homes, including renewals. In Fiscal Years 2020-2021 DEL forecasts that UW will rate 1,353 centers and homes, inclusive of rating renewals. Cost per rating in Fiscal Years 2018 is \$3,725. The cost per rating in 2019 is \$3,795. The cost per rating in 2020-21 is \$3,870.

Note: Of the costs listed above, the following costs and volume assumptions are based on ECEAP expansion of 3,179 slots in each of Fiscal Years 2016-2017 and 3,224 slots in each of Fiscal Years 2018-2019 to meet the requirements of RCW 43.215.456 to serve all eligible children by 2018-19:

--In Fiscal Year 2016 the cost for ECEAP is \$378,791 for 106 ECEAP facilities.

--In Fiscal Year 2017 the cost for ECEAP is \$386,746 for 106 ECEAP facilities.

--In Fiscal Year 2018 the cost for ECEAP is \$402,318 for 108 ECEAP facilities.

--In Fiscal Year 2019 the cost for ECEAP is \$812,041 for 214 ECEAP facilities.

--In Fiscal Year 2020 the cost for ECEAP is \$410,209 for 106 ECEAP facilities.

--In Fiscal Year 2021 the cost for ECEAP is \$417,949 for 108 ECEAP facilities.

****Per child costs associated with funding new ECEAP slots are not included elsewhere in this fiscal note.**

--Rating Tool contractual costs total \$111,468 in Fiscal Year 2016 and \$145,459 in Fiscal Year 2017 for a total of \$256,926 for 2015-17 ($\$111,468 + \$145,459 = \$256,926$). These expenses fund the CLASS and ERS assessments that are used to determine individual early achievers provider ratings. The weighted average cost to process a rating in the WELS software system is \$107. This is the current weighted average cost to process a rating in the WELS software system. Unit cost is based on the combined costs to process ERS and CLASS assessments. ERS assessments are \$17.50 per classroom assessed and ERS assessments are performed on one third of classrooms in a facility. Unit cost for the first CLASS assessment is \$50 per facility and \$2 for each additional classroom. CLASS assessments are performed on the classrooms that do not receive and ERS assessment in a facility. If a facility has 10 or more classroom, CLASS assessments are performed on 50% of the classrooms in the facility. Ongoing costs for these activities are \$203,550 for fiscal year 2018, \$184,454 for fiscal year 2019, and \$144,812 for each fiscal year 2020-21.

--Coaching contractual costs totaling \$11,581,952 in Fiscal Year 2016 and \$17,550,084 in Fiscal Year 2017. 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. These contractual costs fund the individual coaches' salaries and benefits, coaching activities for centers and homes, and coaching coordination via supervisor(s). Weighted average coaching unit cost is \$6,020 per facility in Fiscal Year 2015. It is estimated that one coach can providing coaching to 18 facilities per year at an average of 4.9 hours per facility per month. It is estimated that a supervisor can oversee the coaching activities for 89 facilities per year; this is a 1 to 5 ratio. Total coaching costs per facility are \$4,909. Total supervisory costs per facility are \$1,111. ($\$4,909 + \$1,111 = \$6,020$). Coaching cost per facility in 2016 is \$6,140. Coaching cost per facility on 2017 is \$6,261. Coaching cost per facility in 2018 is \$6,381. Coaching cost per facility in 2019 is \$6,562. Coaching cost per facility in 2020-2021 is \$6,682. Non-variable costs to administer this program by DEL's partner Child Care Aware of Washington are \$787,382 in Fiscal Year 2016, \$851,997 in Fiscal Year 2017, \$895,340 in Fiscal Year 2018, \$942,851 in Fiscal Year 2019, and \$937,662 in Fiscal Years 2020-2021. Total ongoing contractual costs for these activities are \$22,526,930 for fiscal year 2018, \$26,954,619 for fiscal year 2019, and \$29,676,944 for each fiscal year 2020-21.

--Technical Assistance (TA) and Ratings Readiness contractual costs totaling \$6,756,013 in Fiscal Year 2016 and \$6,065,982 in Fiscal Year 2017. These expenses fund the following activities: (1) Level II Technical Assistance, 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; and (3) Pre-enrollment, which represents the cost of outreach to attract non-participating program to participate in EA and includes awareness, outreach and marketing. Total cost for TA in 2016 is \$2,805,624. Total cost for TA in 2017 is \$2,061,700. Total cost for TA in 2018 is 2,101,260. Total cost for TA in FY 2019 is \$2,161,258. Total cost for TA in 2020-2021 is \$2,200,817 in each fiscal year. Total cost for Rating Readiness in 2016 is \$2,941,115. Total cost for Ratings Readiness in 2017 is \$2,947,185. Total cost for Ratings Readiness in 2018 is \$2,384,355. Total cost for Ratings Readiness in 2019 is \$1,949,126. Total cost for Ratings Readiness in 2020-2021 is \$1,167,956, in each fiscal year. Average cost per facility for Level II Technical Assistance in 2015 is \$3,007 comprised of \$136 per hour (blended across homes and centers) of Technical Assistance for 22 hours per facility (2/month). Average cost per facility for rating readiness in 2015 is \$3,115 per facility comprised on \$107 per hours of rating readiness consultation (blended across centers and homes) and an average of 29 hours per facility per year. TA per facility in 2016 is \$3,067. TA per facility in 2017 is \$3,127. TA per facility in 2018 is \$3,187. TA per facility in 2019 is 3,278. TA per facility is 2020 - 2021 is 3,338. Rating Readiness per facility in 2016 is \$3,177. Rating Readiness per facility is 2017 is \$3,240. Rating

Readiness per facility in 2018 is \$3,302. Rating Readiness in 2019 is \$3,395. Rating Readiness in 2020-2021 is \$3,458. Total cost to administer Pre-Enrollment Outreach by DEL's partner Child Care Aware of Washington is \$555,947 in Fiscal Year 2016, \$566,848 in Fiscal Year 2017, \$577,749 in Fiscal Year 2018, \$594,100 in Fiscal Year 2019, and \$605,001 in Fiscal Years 2020-2021. Pre-enrollment costs represent an annual fixed cost based on CCA's historical expenditures and is agreed upon by DEL and CCAWA. Non-variable costs to administer activities within this line item by DEL's partner Child Care Aware of Washington are \$453,327 in Fiscal Year 2016, \$490,248 in Fiscal Year 2017, \$515,189 in Fiscal Year 2018, \$542,527 in Fiscal Year 2019, and \$539,541 in Fiscal Year 2020-2021. Total ongoing contractual costs for all activities in this line item are \$5,578,552 for fiscal year 2018, \$5,247,011 for fiscal year 2019, and \$4,513,316 for each fiscal year 2020-21.

--Training contractual costs totaling \$575,070 in Fiscal Year 2016 and \$513,676 in Fiscal Year 2017. These expenses fund the series of six professional development training units providers must complete prior to being eligible to submit for rating. Average Level II training cost per facility is \$333 in Fiscal Years 2015. This is based on the assumption of \$22 per participant per hour and an average of 12 hours for an average of 1.25 participants for each provider. Training cost per facility in 2016 is \$340. Training cost per facility in 2017 is \$346. Training cost per facility in 2018 is \$367. Training cost per facility in 2019 is \$377. Training cost per facility in 2020-2021 is \$384. Non-variable costs to administer this program by DEL's partner Child Care Aware of Washington are \$264,046 in Fiscal Year 2016, \$285,551 in Fiscal Year 2017, \$300,078 in Fiscal Year 2018, \$316,001 in Fiscal Year 2019, and \$314,262 in Fiscal Years in 2020-2021. Total ongoing contractual costs for these activities are \$542,049 for fiscal year 2018, \$564,565 for fiscal year 2019, and \$567,442 for each fiscal year 2020-21.

--School Readiness Training, Coach Training and EA Institute contractual costs total \$4,839,417 in Fiscal Year 2016 and \$4,463,468 in Fiscal Year 2017. 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. Total ongoing contractual costs for these activities are \$2,794,683 for fiscal year 2018, \$3,661,628 for fiscal year 2019, and \$3,634,984 for each fiscal year 2020-21.

--Quality Improvement Awards contractual costs total \$4,155,306 in Fiscal Year 2016 and \$6,126,148 in Fiscal Year 2017. These costs pay for annual awards paid out by DEL staff to licensed subsidy providers in early achievers 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. Ongoing costs for these activities are \$7,648,846 in Fiscal Year 2018, \$8,804,978 in Fiscal Year 2019 and \$9,423,546 in Fiscal Years 2020-21. Award assumptions: In Fiscal Year 2015 DEL has allotted and contracted \$2,781,959 for Quality Improvement Awards. Awards for family homes are \$2,000 per year for level 3, \$2,250 per year for level 4, and 2,750 per year for level 5. Awards to child care centers are \$5,000 per year for level 3, \$7,500 per year for level 4, and \$9,000 for level 5. Awards amounts for homes and centers remain the same as Fiscal Year 2015 from Fiscal Year 2016 – 2021. In fiscal year 2016, DEL anticipates awarding 404 centers level 3 awards, 83 centers level 4 awards, 617 homes for level 3, and 126 homes for level 4. DEL anticipates a total of 1229 centers and

homes will be awarded Quality Improvement awards in FY 2016. In Fiscal Year 2017 DEL anticipates awarding 552 centers for level 3, 113 centers for level 4, 1,023 homes for level 3, and 210 homes for level 4. DEL anticipates a total of 1,898 centers and homes will be awarded Quality Improvement awards in Fiscal Year 2017.

--ECEAP/Head Start Incentives contractual costs totaling \$4,068,103 in Fiscal Year 2016 and \$4,570,690 in Fiscal Year 2017. 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 early achievers Reciprocity Pathway. Funds also support shared services alliances that provide comprehensive services to families and professional development to regional early learning programs. Unit cost per ECEAP/ HS incentive is \$5,000 per facility in Fiscal Years 2016-2021. Awards are given to Level 4 and 5 ECEAP/ HS facilities. DEL anticipates awarding 814 ECEAP/HS facilities with ECEAP/HS incentives in Fiscal Year 2016 DEL anticipates awarding 914 ECEAP/HS facilities with ECEAP/HS incentives in Fiscal Year 2017. DEL anticipates awarding 1,017 ECEAP/HS facilities with ECEAP/HS incentives in Fiscal Year 2018. DEL anticipates awarding 1,119 ECEAP/HS facilities with ECEAP/HS incentives in Fiscal Year 2019. DEL anticipates awarding 1,119 ECEAP/HS facilities with ECEAP/HS incentives in Fiscal Year 2020. DEL anticipates awarding 1,119 ECEAP/HS facilities with ECEAP/HS incentives in Fiscal Year 2021. Ongoing costs for these activities are \$5,082,759 in Fiscal Year 2018, \$5,594,828 in Fiscal Year 2019, \$5,594,828 in Fiscal Year 2020 and \$5,594,828 in Fiscal Year 2021.

Note: Of the costs listed above, the following costs and volume assumptions are based on ECEAP expansion of 3,179 slots in each of Fiscal Years 2016-2017 and 3,224 slots in each of Fiscal Years 2018-2019 to meet the requirements of RCW 43.215.456 to serve all eligible children by 2018-19:

- In Fiscal Year 2016 the cost for ECEAP is \$516,582 for 103 ECEAP facilities.
- In Fiscal Year 2017 the cost for ECEAP is \$1,033,165 for 312 ECEAP facilities.
- In Fiscal Year 2018 the cost for ECEAP is \$1,559,494 for 312 ECEAP facilities.
- In Fiscal Year 2019 the cost for ECEAP is \$2,085,823 for 417 ECEAP facilities.
- In Fiscal Year 2020 the cost for ECEAP is \$2,085,823 for 417 ECEAP facilities.
- In Fiscal Year 2021 the cost for ECEAP is \$2,085,823 for 417 ECEAP facilities.

****Per child costs associated with funding new ECEAP slots are not included elsewhere in this fiscal note.**

--Core Services and Network Administration contractual costs total \$3,178,481 in Fiscal Year 2016 and \$3,340,885 in Fiscal Year 2017. 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). Ongoing costs for these activities are \$3,462,168 for fiscal year 2018, \$3,592,540 for fiscal year 2019, and \$3,617,790 for each fiscal year 2020-21.

--DEL will create Early Achievers Resource Alliances, formerly known as the Training Resource Centers. Payments total \$3,899,980 in Fiscal Year 2016. This cost will pay a one-time lump sum payment to a total of 70 Head Start/ECEAP grantees and/or contractors, which equals \$55,714 per recipient (\$3,899,980 divided by 70 = \$55,714). The purpose of the payments is to establish and extend comprehensive service supports to regional early learning programs through implementing shared service alliances across the state. Establishment of alliances began with the existing Training Resource Centers and would extend across the state over four years until 70 alliances were established. The alliances would offer community based support for comprehensive

services of wrap around supports for families who need additional support outside of quality early learning. The alliances would also support Early Achievers readiness activities and a pathway for family home providers to implement ECEAP. After the alliances are established, ongoing funding is assumed in costs for the ECEAP/Head Start Incentives in this section.

--Savings from streamlining: It is assumed that requiring DEL to streamline and eliminate duplication between early achievers standards and state child care rules will be cost neutral as to rating and data collection because raters will still need to go on-site to collect data for the rating. However, savings of a little over two percent in Fiscal Years 2016 - 2021, will be realized as programs require less preparation for ERS and licensors provide some of this assistance. Savings in Fiscal Year 2016 total (\$100,000). Savings in 2017 total (\$9,403). Savings in 2018 total (\$9,584). Savings in 2019 total (\$9,588). Savings in 2020 and 2021 total (\$10,038) in each fiscal year. This requirement will also require negotiated rulemaking as described in section 3.

--Program Evaluation contractual costs totaling \$1,476,268 in Fiscal Year 2016 and \$1,726,313 in Fiscal Year 2017. These costs are paid to UW for research and evaluation on the multiple components of the Early Achievers system including the impact of coaching specializations and the coaching system on program quality, on-going evaluation of the EA standards linked to child outcomes and the increased quality elements within ECEAP linked to child outcomes. This may include on-site evaluation of children as well as program measures. This work will also support DEL in meeting the requirements of Section 17, annual progress reporting. Ongoing costs for these activities are \$2,272,248 in fiscal year 2018, \$2,982,128 in fiscal year 2019, and \$3,178,046 in each fiscal year 2020-21.

--Technical Assistance and Expansion support are contracted costs totaling \$305,660 in Fiscal Year 2016 and \$315,425 in Fiscal Year 2017. 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. This work will also support DEL in meeting the requirements of Section 17, annual progress reporting. Ongoing costs for these activities are \$312,015 in Fiscal Year 2018; \$341,000 in Fiscal Year 2019; \$311,860 in each Fiscal Year 2020-21.

--Research Data Analysis contracted costs totaling \$2,224,856 in Fiscal Year 2016 and \$2,293,465 in Fiscal Year 2017. These are costs monitor and evaluate program performance and cost effectiveness of Early Achievers, workforce analysis, and kindergarten readiness, and other areas 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). This work will also support DEL in meeting the requirements of Section 17, annual progress reporting. Ongoing costs for these activities are \$2,217,484 in Fiscal Year 2018; \$2,137,858 in Fiscal Year 2019; and \$1,673,518 in each Fiscal Year 2020-21. During the ongoing period DEL will transfer these duties to newly hired internal staff in Section 17.

IT Professional Service Contracts:

FY2016: contracted IT services, \$1,074,970

FY2017-21 (each year): contracted IT services, \$699,930

For FY2016, costs are \$1,074,970 comprised of \$999,990 for contracted IT services and a one-time cost of \$74,980 for an Early Achievers/MERIT Contracted Technical Project Manager. For each FY2017- 21, costs are \$669,930 for the contracted IT services.

FTE, Salary and Benefits: 1.0 program specialist 5 costing 89,835 in each of fiscal years 2016-21 who will be required to negotiate and monitor contracts for each fiscal year 2016-21.

Goods and Services:

FY16: \$1,113,921

FY17: \$1,003,209

FY18: \$1,025,458

FY19: \$1,031,858

FY20: \$1,037,706

FY21: \$1,037,706

These costs are comprised of the following:

--Information Technology (IT) System Support infrastructure required to update and maintain MERIT, the departments system for tracking early achiever providers; for software licenses for WELS, our rating tool, and for purchasing, modifying and maintain a help desk software solution and costs are as follows:

FY2016-21: \$750 in each fiscal year for direct goods and services for the FTE.

FY2016: software licenses, \$580,019; other goods and services (security infrastructure), \$100,000.

FY2017: software licenses, \$284,731; other goods and services, (security infrastructure) \$100,000.

FY2018: software licenses, \$289,956; other goods and services, (security infrastructure) \$100,000.

FY2019: software licenses, \$296,356; other goods and services, (security infrastructure) \$100,000.

FY2020-21 (each year): software licenses, \$302,204; other goods and services, (security infrastructure) \$100,000.

--Information Material and Dissemination costs totaling \$433,152 in Fiscal Year 2016 and \$550,272 in Fiscal Year 2017. This includes translation services needed to dissemination 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. Average cost per facility for information, material and dissemination is \$128 for Fiscal Years 2016-2021. Ongoing costs for these activities are \$634,752 in each Fiscal Year 2018-21.

Equipment: A one-time expenditure of \$6,000 in fiscal year 2016 for necessary office furniture and equipment for the FTE

Intra-agency Reimbursements: \$29,286 in each of fiscal years 2016-21 for indirect costs for agency administration and central services.

The requirement that DEL streamline and eliminate duplication between early achievers standards and child care rules to reduce costs is expected to result in indeterminate savings. Initial licensing and ongoing licensing monitoring of licensed child care providers would continue, with associated costs. Negotiated rulemaking with the union representing family home child care providers would be required for any changes to licensing requirements for these providers. The extent of changes would dictate staffing needs and cost for an Administrative Regulations Analyst 4 position to accomplish the work.

Section 2(7)(a):

This section requires DEL to have a single search tool incorporating licensed child care, ECEAP and Head Start. Currently, there exists no single source for provider information on licensed child care, ECEAP, and Head Start. Child Care Aware maintains a database of provider-reported information on their programs, but does not include licensing information stored in Child Care Check. Additional (and mostly unique) information on licensed providers is currently available on the Child Care Check website, but development is needed to include data for ECEAP and Head Start and to merge Child Care Check and Child Care Aware sites into a single source of information as required under this section.

Professional Service Contracts: \$510,030 in fiscal year 2016, comprised of:

Creating a single search tool by combining the Child Care Aware and Child Care Check websites is estimated to cost \$810,040 from design through implementation. There is a grant request to the Bill and Melinda Gates Foundation for funding and to date the foundation has approved funding for Phases I and II through June 30, 2015. Phase I will deliver a needs assessment, preliminary costs estimate and a gap analysis of the two websites. Phase II will deliver development options. Funding of \$130,000 for the first two phases has been approved by the foundation and the work has begun.

--Phase III is the development of the single search website, and Phase IV is to launch and for transition activities. It is estimated Phase III will cost \$310,487, and Phase IV \$29,533 for a total of \$340,020 unfunded costs. It is further assumed that DEL and Child Care Aware will have combined costs associated with Phases III and IV in a like amount of \$340,020, but that Bill and Melinda Gates Foundation grant funding of \$170,010 will be approved. Ongoing costs to maintain the new website would be within current DEL resources if it is decided DEL would manage the site. The total cost of this section is therefore \$510,030 ($\$340,020 + \$340,020 - \$170,010 = \$510,030$).

Section 2(7)(b)

This section requires DEL to publish the early achievers program levels for licensed child care, ECEAP and Head Start.

It is assumed that the department will meet the August 1, 2015 deadline for publishing licensed child care ratings and will be done with existing resources. It is assumed publishing the ratings for ECEAP and Head Start providers will require programming changes that will be done with existing resources but will not be completed by the August 1, 2015 deadline.

Section 2(7)(c):

This section requires DEL to publish the early achievers program levels for licensed child care, ECEAP and Head Start in a manner that is easily accessible and accounts for the linguistic needs of the parents and caregivers.

It is assumed that the department will enter into a personal services contract to meet this requirement in Fiscal Year 2016 at a one-time cost of \$100,000. The contractor will plan, implement, and test usability of the web site for effectiveness, efficiency, and user satisfaction; implement user feedback using an iterative design process; review, test, and provide recommendations for improvement of web-based information; and lead design sessions for improvements, including integration of multiple language support. This contract will also include translation of the three most prevalent provider languages in order to meet the linguistic needs of parents and caregivers.

Section 2(7)(e):

This section requires the department to allow providers to put information about their program on the department's web site. This entails review and approval of approximately 8,000 providers' content added to Child Care Check above and beyond Child Care Check's current maintenance needs. It is assumed each provider will add or change content twice per year and that each change will require fifteen minutes to review and approve. It is assumed that DEL will maintain a backlog of content for review and approval.

FTE, Salary and Benefits: 1.0 FTE Program Specialist 5 (PS5) costing \$89,835 in each of fiscal years 2016-2021. DEL will require a program specialist to develop marketing standards, review and approve provider information, and update the web site.

Goods and Services: \$750 in each of fiscal years 2016-21 for direct goods and services for the PS5 FTE.

Equipment: A one-time expenditure of \$6,000 in fiscal year 2016 for necessary office furniture and equipment for the FTE

Intra-agency Reimbursements: \$29,286 in each of fiscal years 2016-21 for indirect costs for agency administration and central services.

Section 2(8)(a):

This section requires the development of a professional development pathway and DEL will meet this requirement with existing resources.

Section 2(8)(b):

This section requires DEL to provide scholarships and grants to assist in professional development pathways. DEL will meet this requirement by continuing its current Early Achievers professional development incentives, retention award incentives, education verification services, opportunity grants, and scholarship and training (S&T) reimbursements. DEL's partner the Washington State Board of Community and Technical Colleges administers DEL's Opportunity Grants program and their contract is inclusive of administrative overhead costs. DEL's partner Child Care Aware of Washington administers the S&T reimbursement program and their contract is inclusive of administrative overhead costs. Education verification services are provided by DEL's partner Centralia College and their contract is inclusive of administrative overhead costs. The contractor Chaves Consulting, Inc. processes the payments in the form of individual checks for professional development incentives (pre-existing degree incentives and retention award incentives), quality improvement awards noted in section

2(5), provides 1099 tax reporting for providers, and customer service for taxes, incentives and address changes. At the close of the RTT-ELC grant, DEL will move payment and tax document processing for professional development incentives and quality improvement awards in house. DEL will require additional staff as it moves payment of these items from the existing contractor to the department. The activities and associated services above are not enhanced or increased from current Early Achievers activities. Total cost by fiscal year for staff and staff supports, pre-existing degree incentives, retention incentives, education verification services, opportunity awards, and S&T reimbursement are \$8,115,297 in Fiscal Year 2016, \$7,921,578 in Fiscal Year 2017, \$7,983,721 in Fiscal Year 2018, \$7,615,601 in Fiscal Year 2019, and \$7,555,890 in Fiscal Years 2020-2021.

FTE, Salary and Benefits: 11.5 FTE in FY16, \$986,499 and 9.5 FTE in each of fiscal years 2017-21, \$838,322, comprised of:

--1.0 WMS-3 Manager to lead daily operations for professional development, the Quality Rating and Improvement System and state prekindergarten initiatives. The WMS-3 will coordinate this work across divisions and sectors to ensure sound implementation and integration of these efforts. The position will work with internal DEL partners and external stakeholders to support essential alignment with other DEL and statewide early learning initiatives. The position will support the assistant director of the division of Quality Practice and Professional Growth.

Additionally, the WMS-3 Manager described in this section would support the consultation work activities required by section 2(13) and support the staff work performed by senate committee services and the house of representatives office of program research described in Section 19(4), completing tasks such as developing policy and communication documents, and communicating with legislative fiscal staff and committee members.

--2.0 Customer Service Specialists 3 to provide technical assistance via phone and email to support providers using MERIT. As Early Achievers participating provider volumes increase, additional staff are needed to ensure providers can complete necessary information in MERIT and access professional development scholarships. Customer Service Specialists will support MERIT technical assistance for up to 1,000 additional licensed child care providers and their staff.

--0.5 Information Technology Specialist 2 (ITS2) to provide help desk support to over 40 new FTE for fiscal years 2016-21.

--1.0 Information Technology Specialist 4(ITS4) 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.

--2.0 ITS5s. 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.

--1.0 Information Technology Systems and Application Specialist (ITS6) Enterprise Architect to ensure that

business and IT processes are in alignment as efforts under the early start act continues to integrate and evolve. The enterprise architect will link the business mission, strategy, and process to the IT strategy, and will document this using multiple architectural models to show how the current and future needs can be met in an efficient sustainable, agile, and adaptable manner.

-- 4.0 FTE Fiscal Analyst 3 (FA3) in fiscal year 2016 (2.0 temporary and 2.0 permanent) and then down to 2.0 FA3 (permanent) in each fiscal year 2017-21 to process provider incentive checks, quality award checks, and yearly tax reporting documents that are currently being processed by a contractor. These fiscal analysts will work with individual child care workers and providers, collecting W-9 information and entering it into the Agency Financial Reporting System (AFRS) so that they can receive payments, review and release warrants (checks) to child care workers and providers, and review contractual payments, provides 1099 tax reporting for providers, and provide customer service for taxes and, incentives, maintain and address changes, and to submit all unclaimed property reports to the Department of Revenue.. These analysts will also process Portable Background Check payments in section 8(3). The temporary employees will help manage the heavy work on the front end of by entering all of the child care workers and providers in the vendor system for the first time. Non temporary Permanent employees will perform the following activities: input address changes, execute 1099 documents, verify W-9 and statewide vendor registration forms, process payments via warrants and electronic fund transfer (EFT), re-work associated with warrants that go uncashed, and miscellaneous customer service requirements. By processing all payments through DEL we would eliminate the wait period between approval of payments and the warrants being processed to providers, reduce the amount of tax preparation time by using the Department of Enterprise Services agency wide 1099 reporting system, and allow for one point of contact for providers on all questions related to the professional development incentives and quality improvement awards. Providing the payments through the DEL would provide consistency in processes, lower DEL's risk for financial fraud, and strengthen internal controls over state funds.

Goods and Services: \$16,125 in fiscal year 2016 and \$11,625 in each fiscal year 2017-21 for direct goods and services for the FTE. Including for IT staff \$4,000 for one time software in FY16 and \$1000 for software maintenance each year FY17-21 and an additional \$3,500 for training above the standard \$750 per FTE.

Travel: \$16,000 in fiscal years 2016-21 for travel for the FTE.

Equipment: A one-time expenditure of \$69,000 in fiscal year 2016 for necessary office furniture and equipment for the FTE.

Intra-agency Reimbursements: \$321,598 in fiscal year 2016 and \$273,293 in each fiscal year 2017-21 for indirect costs for agency administration and central services.

Professional Service Contracts:

Fiscal Year 2016: \$6,753,884
Fiscal Year 2017: \$6,769,004
Fiscal Year 2018: \$6,823,347
Fiscal Year 2019: \$6,481,289
Fiscal Year 2020: \$6,365,284
Fiscal Year 2021: \$6,365,284

FY totals comprised of:

--Professional Development Degree Incentives totaling \$425,040 in Fiscal Year 2016 and \$425,040 in Fiscal Year 2017. 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 for up to three certifications or levels of degrees or any combination of the two. Ongoing costs for these activities are \$425,040 in fiscal year 2018, \$158,400 for fiscal year 2019, and \$119,680 for each fiscal year 2020-21. Degree assumptions: The weighted average award per professional for pre-existing degree incentives is \$220 in Fiscal Year 2016-2021. \$220 is the current weighted average award in Fiscal Year 2015. DEL anticipates awarding 1,932 early learning professionals for pre-existing degrees in 2016, 2017, and 2018. DEL anticipates awarding 720 individuals in 2019 and 544 individuals in 2020 and 2021 for pre-existing degrees. Forecasting assumes the volume of pre-existing degree incentives to ramp down as the program hits saturation within the pool of eligible early learning professionals.

--Professional Development Retention Awards totaling \$629,280 in Fiscal Year 2016 and \$629,280 in Fiscal Year 2017. 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 \$629,280 in fiscal year 2018, \$553,560 for fiscal year 2019, and \$527,520 for each fiscal year 2020-21. Retention Awards assumptions: The weighted average cost award per professional for attainment incentives is \$120 in Fiscal Year 2016 – 2021. \$120 is the current weighted average award in Fiscal Year 2015. DEL anticipates awarding 5,244 early learning professionals for attainment incentives in Fiscal Years 2016, 2017, and 2018. DEL anticipates awarding 4,613 individuals in Fiscal Year 2019 and 4,396 in Fiscal Years 2020 and 2021 for attainment incentives. Forecasting assumes the volume of retention incentives to ramp up as the more early learning professionals become eligible for the incentive through advancement in either degree or ECE certificate.

-- Professional Development Education Verification contractual costs totaling \$416,208 in Fiscal Year 2016 and \$416,208 in Fiscal Year 2017. DEL will contract with Centralia College to validate degrees, HS diplomas, GEDs, AAs, BAs, MAs, PhDs and individual ECE certificates entered into DEL's MERIT system. Ongoing costs for these activities are \$416,208 in fiscal year 2018, \$309,314 for fiscal year 2019, and \$286,520 for each fiscal year 2020-21. Verification assumptions: Average cost per degree verification is \$58 in Fiscal Years 2016 – 2021. Historically this contract has not been based on a unit cost per degree validation. \$58 per degree verification represents a calculated unit costs given current contract and is used to forecast this expense line item given volume assumptions. DEL anticipates that Centralia College will verify 7,176 degrees (1,932 pre-existing degree incentives + 5,244 retention awards) in Fiscal Year 2016, 2017, and 2018. DEL anticipates that Centralia College will verify 5,333 degrees (720 pre-existing degree incentives + 4,613 retention awards) in 2019 and 4,940 degrees (544 pre-existing degree incentives + 4,396 retention awards) in Fiscal Years 2020 and 2021.

-- Early Achievers Opportunity Grants contractual costs total \$3,062,720 in each fiscal year 2016-2021. 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. Opportunity Grant Assumptions: DEL anticipates WSBCTC will award on average 400 individual scholarships in the form of Opportunity Grants at a cost of up to \$6,800 per award in each

Fiscal Year 2016 - 2021. In the first half of Fiscal Year 2015 413 students have received financial assistance from Early Achiever Opportunity Grants in the forms of tuition, fees, and books and materials. Per DEL's contract with the WSBCTC, the contractor shall award Opportunity Grants up to \$6,800 per FTE for an Early Childhood Education (ECE) statewide credential, up to \$6,800 for those who have earned a statewide ECE credential and choose to pursue an AA degree in ECE, and up to \$13,600 (two FTEs) in aggregate for an AA degree in ECE. 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. Funding for books/ instructional materials shall not exceed \$1,000. Funding for student support services shall not exceed \$1,000. Funding for tuition and fees shall not exceed \$4,800. Total pass thru dollars for scholarships in the form of Opportunity Grants is \$2,720,000 in each Fiscal Year 2016 – 2021. DEL contract with and pay WSBCTC \$342,720 in each Fiscal Year 2016 – 2021 to administer the Opportunity Grants program.

--Scholarships and Training Reimbursement contractual costs total \$2,172,828 in Fiscal Year 2016 and \$2,249,090 in Fiscal Year 2017. These expenses fund scholarships including tuition support and other education-related reimbursements for books, travel, release time and related school supplies for ECE certificates, AA and BA degree attainment and CDA Assessment. This program, Washington Scholarships for Child Care Professionals, is provided by DEL's partner Child Care Aware via contract. Ongoing costs for these activities are \$2,311,233 in fiscal year 2018, \$2,392,367 for fiscal year 2019, and \$2,420,210 for each fiscal year 2020-21. Scholarship and Training assumptions: DEL anticipates awarding 112 CDA scholarships in Fiscal Years 2016 – 2021 at a unit cost of \$587 in 2016, \$598 in 2017, \$610 in 2018, \$627 in 2019, and \$638 in 2020-2021. DEL anticipates awarding 397 AA scholarships in Fiscal Years 2016 – 2021 at a unit cost of \$2,942 in 2016, \$2,999 in 2017, \$3,057 in 2018, \$3,144 in 2019, and \$3,201 in 2020 – 2021. DEL anticipates awarding 50 BA scholarships in Fiscal Years 2016 – 2021 at a unit cost of \$7,793 in 2016, \$7,946 in 2017, \$8,098 in 2018, \$8,328 in 2019, and \$8,480 in 2020-2021. Child Care Aware of Washington (CCAWA) administers this program and non-variable costs include \$549,460 in 2016, \$594,211 in 2017 \$624,440 in 2018, \$657,575 in 2019, \$653,957 in 2020 – 2021.

Section 2(8)(c):

This section requires DEL to address cultural and linguistic diversity and the department will meet this requirement with current resources

Section 2(9): Early Achievers quality improvement awards.

DEL assumes this will be met by using licensed capacity to determine the 5 percent subsidy threshold. DEL will be required to create a process to compare subsidy payments to licensed capacity on a monthly basis. DEL will require this 0.5 FTE ITS5 to develop and maintain the data match each fiscal year 2016-2021.

FTE, Salary and Benefits: 0.5 FTE (Information Technology Specialist 5 (ITS5) costing \$ 52,321 in each of fiscal years 2016-2021.

Goods and Services: \$4,500 in fiscal year 2016 and \$3,000 in each of fiscal years 2017-21 for the ITS5.

Equipment: A one-time expenditure of \$3,000 in fiscal year 2016 for necessary office furniture and equipment for the FTE

Intra-agency Reimbursements: \$17,057 in each of fiscal years 2016-21 for indirect costs for agency administration and central services.

Section 2(10):

This section requires DEL to develop a protocol for granting early achievers participants extensions in meeting level requirement timelines required for WCCC. DEL will meet this requirement with current resources.

Section 2(10)(d):

This section requires DEL to write a one-time report for the legislature and the department will meet this requirement with current resources.

Section 2(11):

FTE, Salary and Benefits: 1.0 FTE Program Specialist 5 (PS5) costing \$89,835 in each of fiscal years 2016-2021.

It is assumed that this position will be responsible for creating an accreditation program and review process, periodically reviewing the process for improvement, reviewing submitted standards of accrediting bodies and assigning points for Early Achievers qualification equivalents, and developing materials. This position would be needed on an ongoing basis for continued coordination between the accrediting bodies and providers.

Goods and Services: \$750 each of fiscal years 2016-21 for the PS5.

Equipment: A one-time expenditure of \$6,000 in fiscal year 2016 for necessary office furniture and equipment for the PS5.

Intra-agency Reimbursements: \$29,286 in each of fiscal years 2016-21 for indirect costs for agency administration and central services.

To comply with this section, DEL will establish a process to review accreditation information submitted by each accrediting body to demonstrate how their process and standards meet or exceed specific Early Achievers standards. Across the country, it is common practice for accreditation bodies to demonstrate how their standards equate to state QRIS systems. The most common outcome is that specific points are awarded to count toward the overall rating, resulting in those standards not being assessed as part of the early achievers data collection process. It is unlikely that any accreditation body captures the information gathered in the two standardized observation assessments in Washington's rating system, the ERS and the CLASS. Therefore, although points may be awarded in reciprocity for other Early Achievers Standards areas, on-site time will still be necessary to observe classrooms for the ERS and CLASS evaluation components. It is assumed development and implementation of this alternate pathway will occur in fiscal year 2016 and can be accomplished with existing DEL resources. DEL estimates approximately 10% of all licensed providers will pursue the accreditation pathway, and their rating process will take half the time of a full rating, resulting in a 5% reduction in overall rating costs beginning in fiscal year 2017. This would result in an estimated savings of \$218,354 in Fiscal Year 2017, \$235,957 in Fiscal Year 2018, \$284,569 in Fiscal Year 2019, and \$241,362 in Fiscal Year 2020-2021. Note that these savings are reflected in the total costs for rating identified in section 2(5). All other costs of participating in early achievers (training, technical assistance, and coaching) will still be required and will therefore remain the same.

Section 2(12): It is assumed that the WMS2 position described in Section 2(1) above will also provide research and analysis needed to explore the use of alternative quality assessment tools meeting the cultural needs of recognized tribes, and that this provision therefore has no further fiscal impact.

Section 2(13):

This section will require staff time to coordinate, draft, and review the inter-local agreements with qualifying child care programs offered by federally recognized tribes. It is assumed the tribal liaison described in section 2(1) will perform these functions. Currently, DEL certifies approximately 20 programs operated by a federally recognized tribe to receive child care subsidy payments, and expects this number to remain stable. Given this number relative to the entire population of licensed providers expected to participate in early achievers, DEL assumes services for these programs can be provided within the overall participation volumes proposed earlier in this section and will require no additional resources.

New Section 2(13):

This section will require staff time to consult with the early achievers review subcommittee created in Section 19 on all substantial policy changes to the early achievers program. In support of the staff work performed by senate committee services and the House of Representatives office of program research described in Section 19(4), DEL staff would spend time completing tasks such as compiling data, developing policy and communication documents, and communicating with fiscal staff and committee members. DEL assumes that the Management Analyst 5s described in section 18 and the WMS-3 Manager described in section 2(8)(b) will perform these work activities.

New Section 3:

This Section requires the department to adopt a single set of licensing standards.

DEL is currently working on integrating standards for ECEAP and licensed providers to create a single set of licensing standards for licensed providers and ECEAP. The rulemaking requirements in this section will not result in additional expenditure because rulemaking costs are already assumed in DEL's current budget. In addition, IT costs for help desk, hosting, training, and maintenance are already assumed in DEL's current budget.

Implementation costs include:

Professional Service Contracts: \$482,500 in FY16 and \$123,800 in FY17, comprised of:

- \$300,000 in FY16 to customize and implement the COTS system. Based on previous vendor responses and current market research we anticipate 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.
- \$182,500 in FY16 to support licensing standards for the ECEAP.
- \$83,800 in FY17 to move ECEAP standards forms to the COTS system.
- \$40,000 in FY 17 to create and implement new electronic forms for school-age programs operating within public or private school buildings per Section 4(2).

Goods and Services: \$165,000 in each of FY17-21 for annual licensing and maintenance costs.

Supporting assumptions are as follows:

--Updating the electronic licensing forms (ELF) system for all three of DEL's licensing sets (Chapters 170-295, 170-296A, and 170-297 WAC). The department maintains a contract with a vendor for ELF, and the current budget is for maintenance and operation only.

-\$90,000 Updating DEL's Early Learning Management System (ELMS) for ECEAP. It is assumed that aligning ECEAP and child care licensing standards requires updating 60 percent of the ELMS system, including extensive changes to the "child module" (prescreen, application, eligibility, prioritization, child and family updates, bulk updates and all related reports). This will require 720 hours of work at \$125 per hour ($720 \times \$125 = \$90,000$).

-\$92,500 It is assumed that the consultant is needed for 370 hours at \$250 per hour ($370 \times \$250 = \$92,500$). The consultant will provide DEL with the expertise and support to fully integrate the three discrete sets of standards currently in place for child care providers, including licensing regulations, state preschool contract requirements, and Early Achievers (EA) Quality Rating and Improvement System (QRIS) standards.

--\$83,800 in fiscal year 2017. It is assumed that ECEAP will move to electronic monitoring forms with the creation of a single set of basic health and safety standards for licensing and ECEAP. Updating the electronic licensing forms (ELF) to include four electronic monitoring tools is estimated at \$83,000 ($\$20,950 \times 4 = \$83,800$).

It is assumed that this bill version's extending the deadline for completion of this alignment work has no material impact on cost because this defined body of work will proceed on the same timeline with respect to fiscal years.

Section 4(2):

DEL is currently working on integrating standards for ECEAP and licensed providers to create a single set of licensing standards for licensed providers and ECEAP. It is assumed that any rulemaking scaling back school-age provider licensing standards for the subset of school-age programs serving children in schools will be accomplished as part of that effort. Therefore the rulemaking requirements in this section will not result in additional expenditure because rulemaking costs are already assumed in DEL's current budget.

Costs associated with creating and implementing new electronic forms for school-age programs operating within public or private school buildings under this section are detailed in Section 3. It is assumed that the change in language regarding requirements relating to the physical facility in lieu of language regarding board of health standards has no impact on these costs, as creation and implementation of new electronic licensing forms will be required in either case.

New Section 5(1):

Professional Service Contracts: This section requires DEL to collaborate with tribal governments and other partners to maximize participation in early achievers. This will be met with the tribal liaison position under section 2(1), and Community Engagement Contracted costs totaling \$225,000 for each Fiscal Year 2016-21. DEL currently partners with Thrive by Five Washington to oversee and perform community engagement activities under Early Achievers. Costs for Community Engagement in 2015 are \$205,000. DEL will continue to partner with Thrive by Five Washington to oversee statewide community engage required in this section. These are costs for services that help/ contribute to engaging stakeholders, the community and public partners in the ongoing activities of the grant (example: links between community orgs. – parent navigators and the WA state libraries to host info nights).

This section will require staff time to ensure compliance with the requirement in section 5(1)(a) that funds appropriated separately for the encouragement of culturally diverse and low-income center and family home child care provider participation are only used for the protocol to maximize and encourage participation in the early achievers program for culturally diverse and low-income center and family home child care providers. DEL assumes that the Budget Analyst 4s described in section 18 will perform these work activities.

New Section 5(1)(b):

The thirty month timeframe during which resources are to be prioritized corresponds to the timeframe under Section 6(4) for providers accepting subsidy to enroll in Early Achievers and rate. It is assumed that the prioritization required under this section already occurs under the Early Achievers program, as providers rated level 2 are provided coaching to increase their quality level. Therefore the requirements of this section will be accomplished within existing resources with no additional expenditure.

Section 5(2)(a):

Grants, Benefits and Client Service Contracts: \$468,200 in each of fiscal years 2016-21, for an EA substitute pool, calculated as follows:

This section requires the creation of substitute pool in order to reduce barriers to early achievers participation for low income providers and programs. It is assumed that the pool will be available to cover only those hours in which providers attend to early achievers requirements. According to US Census data on poverty by school district, 30 percent of the 5,700 providers statewide are in, or serve children in, low income neighborhoods. It is assumed that creating an early achievers substitute pool will require subsidized salaries for substitutes serving approximately half those providers, a total of 855 subsidized salaries ($5,700 \times .30 \times .5 = 855$) each year. It is assumed that each provider will request an average of 4 hours of substitute coverage per month in order to attend to early achiever requirements (professional development and training, curriculum and materials development, self-assessment, and parent meetings), for a total of 41,040 hours of substitute coverage per year ($855 \times 4 \times 12 = 41,040$). It is further assumed each substitute will be trained on the required 30 hour basic training at a rate of \$250 per training, with one training for every substitute position, a position being equal 1,560 hours of work per year. Under this assumption there are 26 positions ($41,040$ divided by $1,560 = 26$) for a total training cost of \$6,500 ($26 \times \$250 = \$6,500$). It is assumed each substitute position will pay for his or her own portable background check. Each substitute will be paid an hourly wage of \$15 -- somewhat higher than average for a family home child care provider in order to adequately incentivize substitute work and pay for benefits -- 75 percent of which will be subsidized by the state, at a cost of \$461,700 ($41,040 \times \$15 \times .75 = \$461,700$). The total yearly cost, including the cost of grant awards and training, is \$468,200 ($\$461,700 + \$6,500 = \$468,200$). These amounts reflect expected demand, but could be scaled and implemented on a first-come, first-served basis.

-- Professional Service Contracts: \$200,000 in each of fiscal years 2016-21 for regional coordination including annual marketing, recruitment, training, and management of the 26 substitute positions described above, and for statewide contract coordination. Coordination will be ongoing after creation of the pool as substitutes leave and new ones enter. This will require contracting with 8 coordinators (4.0 FTE equivalent) comprised of one .5 FTE equivalent statewide coordinator and seven regional coordinators at .5 FTE each, at a cost of \$25,000 per contractor per year, or \$200,000 in each of fiscal years 2015-21 ($8 \times \$25,000 = \$200,000$). It is assumed that regional coordination is necessary in order to locate, train, and m

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	32.0	33.3	32.6	33.2	33.2
A-Salaries and Wages	2,142,523	2,243,651	4,386,174	4,476,594	4,476,594
B-Employee Benefits	752,144	785,782	1,537,926	1,567,802	1,567,802
C-Professional Service Contracts	56,627,232	83,232,028	139,859,260	177,478,094	179,357,248
E-Goods and Other Services	1,310,150	1,208,988	2,519,138	2,600,646	2,618,742
G-Travel	50,877	50,877	101,754	87,436	87,436
J-Capital Outlays	189,960	24,000	213,960		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	(13,767,361)	(987,471)	(14,754,832)	2,367,159	4,946,863
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	943,661	987,594	1,931,255	1,970,472	1,970,472
9-					
Total:	\$48,249,186	\$87,545,449	\$135,794,635	\$190,548,203	\$195,025,157

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2016	FY 2017	2015-17	2017-19	2019-21
Budget Analyst 4 Total	64,740	2.0	2.0	2.0	2.0	2.0
Contracts Specialist 3 Total	64,740	1.0	1.0	1.0	1.0	1.0
Customer Service Specialist 3 Total	40,524	2.0	2.0	2.0	2.0	2.0
Fiscal Analyst 3 Total	53,148	4.0	2.0	3.0	2.0	2.0
IT Specialist 2 Total	58,656	0.5	0.5	0.5	0.5	0.5
IT Specialist 4 Total	71,496	3.0	3.0	3.0	3.0	3.0
IT Specialist 5 Total	78,900	3.5	3.5	3.5	3.5	3.5
IT Sys/App Spec 6 Total	87,096	2.0	2.0	2.0	2.0	2.0
Management Analyst 5 Total	68,016	5.5	5.5	5.5	5.5	5.5
Program Specialist 3 Total	55,836	0.1	0.1	0.1	0.1	0.1
Program Specialist 5 Total	66,420	4.1	6.1	5.1	6.1	6.1
Research Analyst 5 Total	58,656		2.0	1.0	2.0	2.0
Social Service Specialist 3 Total	64,740	2.2	1.5	1.8	1.5	1.5
WMS Band 2 Total	74,850	1.1	1.1	1.1	1.1	1.1
WMS Band 3 Total	85,188	1.0	1.0	1.0	1.0	1.0
Total FTE's	993,006	32.0	33.3	32.6	33.2	33.2

Part IV: Capital Budget Impact

NONE

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Sections 6(8) and 3 will require rulemaking as described above, amending Chapters 170-100, 170-290, 170-295, 170-296A, and 170-297 WAC.

Individual State Agency Fiscal Note

Bill Number: 1491 2E 2S HB	Title: Early care & education system	Agency: 376-The Evergreen State College
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.2	0.2	0.2	0.2	0.6
Account					
General Fund-State 001-1	31,349	31,663	63,012	65,239	197,042
Total \$	31,349	31,663	63,012	65,239	197,042

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 07/01/2015
Agency Preparation: Catherine Nicolai	Phone: (360) 586-2769	Date: 07/02/2015
Agency Approval: Steve Trotter	Phone: (360) 867-6185	Date: 07/02/2015
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 07/02/2015

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

2E2SHB 1491 Section 13 (4) directs the Washington State Institute for Public Policy (WSIPP) to "conduct a longitudinal analysis examining relationships between the early achievers program quality ratings levels and outcomes for children participating in subsidized early care and education programs." The first report for this study is due to the legislature and the early learning advisory council by December 31, 2019, with subsequent reports on December 31 in 2020, 2021, and 2022. The final 2022 report must include a cost-benefit analysis.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

To conduct the study, WSIPP would assign a 0.20 FTE Senior Researcher in fiscal years (FY) 2016 through 2019 to investigate the necessary data sources and enter into appropriate data sharing agreements with the Department of Early Learning, Office of Superintendent of Public Instruction, and Education Research and Data Center (ERDC). The study scope will focus on participation in early learning/state subsidized child care and on outcomes associated with different quality ratings levels. During this time, the Senior Researcher would also track implementation of early achievers (the quality rating system).

In FY 2020, a 0.50 FTE Senior Researcher would submit a specific data request to ERDC, analyze the data, and submit the initial outcomes report to the legislature and early learning advisory council in December 2019. This note also assumes 0.05 FTE in programmer time and 0.05 FTE office support in this year and subsequent years to complete the initial and subsequent analyses and reports. In FY 2021, the 0.50 FTE Senior Researcher would analyze new data and prepare and submit the annual report to the legislature and council.

This fiscal note estimates costs through FY 2021. The bill directs the study to continue for two more years (FY 2022 and 2023). Thus, in FY 2022, the 0.50 FTE Senior Researcher with 0.05 FTE in programmer time and 0.05 FTE office support would continue to analyze outcomes and submit the annual report. In the final year of the study assignment (FY 2023) the Senior Researcher would finalize the outcome analyses, collect data on variation in costs between high- and low- rated programs, conduct a benefit-cost analysis, and submit the final report to the legislature and early learning advisory council by December 31, 2022. Estimated costs for FY 2022 are \$102,000 and for FY 2023, \$104,000.

*Goods and other services includes 13% for office expenses and 12% indirect rate for The Evergreen State College.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.2	0.2	0.2	0.2	0.6
A-Salaries and Wages	19,816	20,014	39,830	41,238	124,066
B-Employee Benefits	4,954	5,004	9,958	10,310	31,625
C-Professional Service Contracts					
E-Goods and Other Services	6,579	6,645	13,224	13,691	41,351
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$31,349	\$31,663	\$63,012	\$65,239	\$197,042

III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2016	FY 2017	2015-17	2017-19	2019-21
Administrative Coordinator	58,284					0.1
Programmer/Analyst	95,436					0.1
Senior Research Associate	98,100	0.2	0.2	0.2	0.2	0.5
Total FTE's	251,820	0.2	0.2	0.2	0.2	0.6

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.