State Early Childhood Development Coordinating Council

February 2016
Council Meeting

Meeting Objectives

- Update SECDCC on the status of the Child Care and Development Fund Plan.

- Share results of the cost estimation model and discuss potential policy and practice options.

- Inform members of a new federal early childhood system building grant opportunity.

Agenda

I. Welcome

II. Introductions

III. Child Care and Development Fund (CCDF)

IV. Cost Estimation Model

V. Early Childhood Innovation Network

VI. Early Childhood Comprehensive Systems Grant

VII. Committee Reports

VIII. Public Comment

District of Columbia's
Draft Child Care and Development Fund Plan Update and Next Steps

CCDF Plan Public Hearings

- Purpose: Solicit verbal or written comments from the public on the District's draft plan for the use of federal CCDF dollars for the period of October 1, 2016 through September 30, 2018.

- Public comment period extended 20 days from January 20, 2016 to February 8, 2016.

CCDF Plan Public Hearings Cont'd

Date	Location	Participants*
January 11, 2016	National Children's Center 3400 Martin Luther King Jr. Ave. SE (Ward 8)	3 Early Learning Administrators 1 Parent 2 Community Advocates
January 12, 2016	Petworth Neighborhood Library 4200 Kansas Ave. NW (Ward 4)	7 Early Learning Administrators
January 14, 2016	Southwest Neighborhood Library 900 Wesley Place SW (Ward 6)	2 Early Learning Administrators 2 Early Learning Home Providers
January 15, 2016	OSSE 810 First Street SE (Ward 6)	6 Early Learning Administrators
January 19, 2016	Educare DC 640 Anacostia Ave. NE (Ward 7)	7 Early Learning Administrators 2 Early Learning Teachers

*Does not include OSSE staff

CCDF Plan Comments

Organizations that provided <u>written comments</u> on the draft CCDF Plan:

- DC Prep
- Sunshine Early Learning Center
- DC Department of Human Services
- DC Action for Children
- DC Fiscal Policy Institute
- Briya Public Charter School and
- Center for Law and Social Policy (CLASP)
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Organizations that provided formal <u>oral comments</u> on the draft CCDF Plan:

- Sunshine Early Learning Center
- DC Prep
- Kiddie City Day Care

CCDF Plan Public Comments Summary*

1. Create public-private partnerships that generate funds that support program quality

2. What is the QRIS and determination of the cost of implementing quality standards and regulations?

3. Create partnerships to increase the availability of qualified staff, and determine how to compensate staff commensurate with public school teachers including benefits.

4. Consider funding opportunities for facility improvements, teacher credentials (e.g., CDA's, associate degrees, etc.), program accreditation, professional development, and/or quality improvements related to the QRIS.

5. Publish an annual report on the workforce composition, analysis trends, and best practices.

6. Include better ways to serve vulnerable populations, including infants/toddlers, children with disabilities, and families who are homeless.

7. Need more details about the emergency disaster plans. What is expected from District agencies and business partners.

8. Improve the OSSE website and IT systems for providers, professionals, and families.

9. Create "family-friendly" eligibility rules and processes.

10. Decrease wait time for criminal background and child protective registry checks.

*Summary not inclusive of all public comments provided

CCDF Plan Sections

Section 1 - Define CCDF Leadership & Coordination with Relevant Systems

Section 2 - Promote Family Engagement through Outreach & Consumer Education

Section 3 - Provide Stable Child Care Financial Assistance to Families

Section 4 - Ensure Equal Access to High Quality Child Care for Low-Income Children

Section 5 - Establish Standards & Monitoring Processes to Ensure the Health & Safety of Child Care Settings

Section 6 - Recruit & Retain a Qualified & Effective Child Care Workforce

Section 7 - Support Continuous Quality Improvement

Section 8 - Ensure Grantee Accountability

CCDF Plan Implementation Cont'd

Section 1 - Develop and implement statewide **child care disaster and response plan.**

Section 2 - Provide aggregate information on the number of deaths, serious injuries and child abuse required of all licensed child care providers; **publish child care provider profiles and consumer education on a user-friendly website** to encourage transparency about child care programs, including quality rating, monitoring and inspection reports and complaints.

CCDF Plan Implementation Cont'd

Section 3 - Increase access for vulnerable children and families by implementing policies and procedures to **expedite enrollment and outreach for homeless children and families**, including a grace period to comply with immunization and health and safety requirements to improve access to child care services.

Implement eligibility re-determination polices that support electronic verification of **income and employment.**

CCDF Plan Implementation Cont'd

Section 4 - Develop payment practices for CCDF provider recipients that reflect **generally accepted payment practices** of non-CCDF child care providers in the District.

Section 5 - Promulgate licensing regulations that will include **new health and safety training requirements***:

- Administration of medication, consistent with standards for parental consent;
- Prevention of and response to emergencies due to food and allergic reactions;
- Prevention of shaken baby syndrome and abusive head trauma;
- Emergency preparedness and response planning for emergencies resulting from a natural disaster, or a human-caused event (such as violence at a child care facility);
- Handling and storage of hazardous materials and the appropriate disposal of bio contaminants;
- Required pre-service training in health and safety areas; and
- Enhanced criminal background processes and procedures

*Summary not inclusive of all proposed health and safety training requirements

CCDF Plan Implementation Cont'd

Section 6 - Design and implement **business practices training** for child care providers. This may include, but is not limited to fiscal management, budgeting, record-keeping, hiring, developing, and retaining qualified staff, risk management, community relationships, marketing and public relations, and parent-provider communications; and

Expand professional development opportunities to include the required health and safety topics outlined in the CCDBG Act

CCDF Plan Implementation Cont'd

Section 7 - The CCDBG Act mandates a statewide quality rating and improvement system (QRIS). The District has a QRIS and is developing and **implementing an enhanced QRIS** that uses common measures of quality across all three sectors (child development facilities, DC Public Schools, and public charter schools).

– Enhanced QRIS pilot will launch in April 2016, meeting the requirement in the CCDBG Act for spending on quality improvements for the child care system.

Section 8 - Existing fiscal, program, attendance and eligibility monitoring activities are consistent with CCDBG Act requirements. Continued focus on improving and enhancing current accountability measures to **identify fraud and other program violations.**

Interagency Collaboration

Implementation of the requirements of the CCDBG Act of 2014 will require high level leadership and **coordination** between OSSE as the lead agency for the child care assistance program and **other child- and family-serving agencies**, services, and supports at the state and local levels as well as other public and private partners.

CCDF Plan Timeline

- March 11, 2016 - OSSE required to submit CCDF Plan for 2016-2018 triennium via the OCC online submission site
  - Extension provided to all States/Territories due to new Plan format

- March 11 - May 2016 - Federal/Regional OCC staff will review CCDF Plan and provide feedback to OSSE
  - OSSE will respond and provide written updates to the CCDF Plan, as required by OCC staff
  - CCDF Plan effective June 1, 2016 through September 30, 2018

- OSSE will continue to update and implement policies and procedures to comply with the CCDBG Act and regulations
  - OSSE staff are reviewing the December 24, 2015 federal Notice of Proposed Rulemaking for the CCDBG Act and will respond appropriately to proposed and/or final regulations

SECDCC Feedback

- How can we improve inter and intra-agency communication to support and improve access and quality of child care to all families and especially for the populations below?
  - ❑ Children in underserved areas;
  - ❑ Infants and toddlers;
  - ❑ Children with disabilities; and
  - ❑ Children who receive care during nontraditional hours.

- What are your two priorities to successfully accomplish the aforementioned task?
  - – Have your priorities been addressed in the draft CCDF Plan?

Financing Child Care in the District of Columbia: Challenges and Opportunities

Slides prepared by Louise Stoney

Co-Founder, Alliance for Early Childhood Finance and Opportunities Exchange

Key Facts

- Early Care and Education (ECE) is expensive and public dollars are very limited.

- The cost of delivering ECE can vary widely, based on ages/special needs of children served, quality standards, program size and enrollment levels.

- The District's commitment to universal pre-K has helped families with 3-4 yr. olds, but has had unintended consequences on the cost and availability of infant-toddler care.

- High-quality programs struggle when funding is linked to market prices, especially in low-income neighborhoods.

Rate-setting Challenges

- Market Rate Surveys measure the price of care.
- Child care prices are typically based on what families can afford or are willing to pay, and are unlikely to vary by quality level.
- Child care price is only one data point; accurate revenue projections require more detail.
- Cost modeling makes it possible to understand program costs and market forces.
- Both rate surveys and cost modeling can inform rates.

The Iron Triangle of ECE Finance
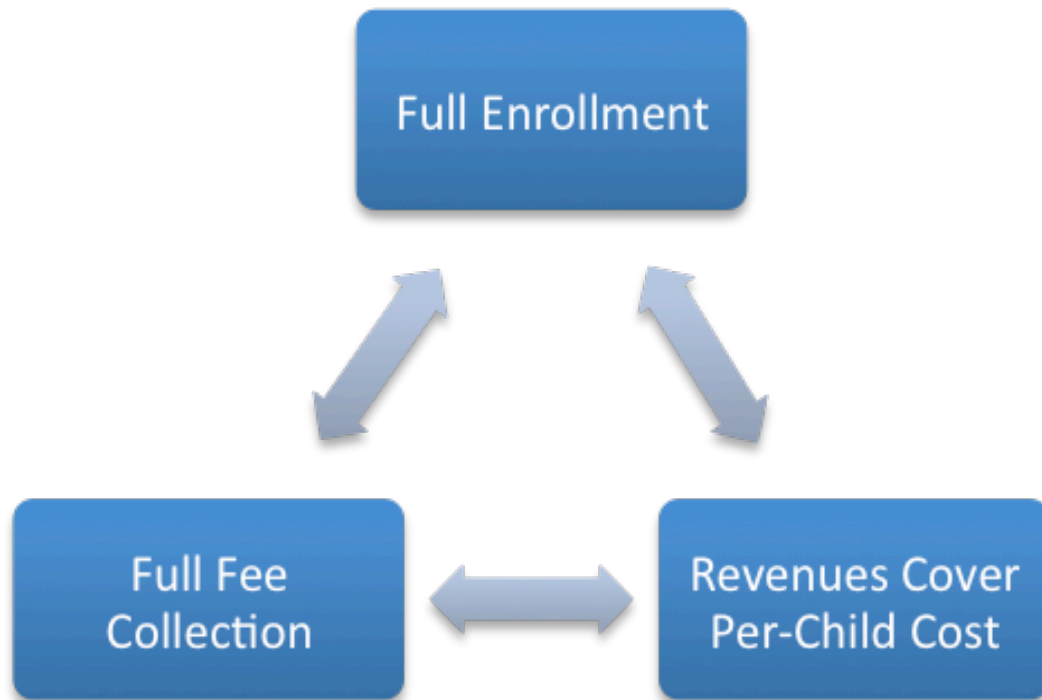
- Ensure full enrollment – every day, in every classroom

- Collect tuition and fees – in full and on-time

- Revenue covers per-child cost (tuition, fees + 3rd party funding)

What is Cost Modeling?

- Methodology to estimate the likely cost of delivering ECE, from the provider perspective.

- Creates a hypothetical budget, based on required standards (QRIS and licensing).

- Can explore impact of program size, ages of children served, enrollment, bad debt, etc.

- Can demonstrate the impact of funding from multiple sources.

Nationally Endorsed Methodology

- The Cost Modeling methodology was developed by national experts Anne Mitchell and Andrew Brodsky.

- Endorsed by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, which supported the an online development of the tool - Provider Cost of Quality Calculator (PCQC) https://www.ecequalitycalculator.com/.

- Increasingly used by states to inform rates, including CO, FL, PA, LA, NM, RI, WA, and others.

How Does Cost Modeling Work?

Creates a hypothetical budget for a provider at each quality level, with initial assumptions about:

- Number of classrooms and age mix
- Group sizes and ratios (based on licensing)
- QRIS levels (increased staff + higher wages and benefits at Gold, Silver, Bronze)
- Enrollment levels
- Fee collectability
- Staffing and salaries
- Non-personnel expenses
- Revenue sources (public and private)

How the Model Can be Used

Enables exploration of how various factors – in addition to the CCDF reimbursement rate – can affect profit or loss, e.g.:

- Increased scale
- Income mix of families served
- Enrollment levels
- Fee collectability
- Subsidy policy changes
- Additional revenue sources, e.g. Pre-K Enhancement, CACFP

EQUALITY

EQUITY

Lessons from Cost Modeling

- Infants and toddlers are the most expensive.

- Quality costs.

- Enrollment matters for financial sustainability.

- Size matters – small centers that serve primarily infants and toddlers struggle financially.

- Age matters – programs that serve mixed ages of children are financially stronger.

- District public universal pre-K is a game-changer– and requires strategic thinking about infants and toddlers.
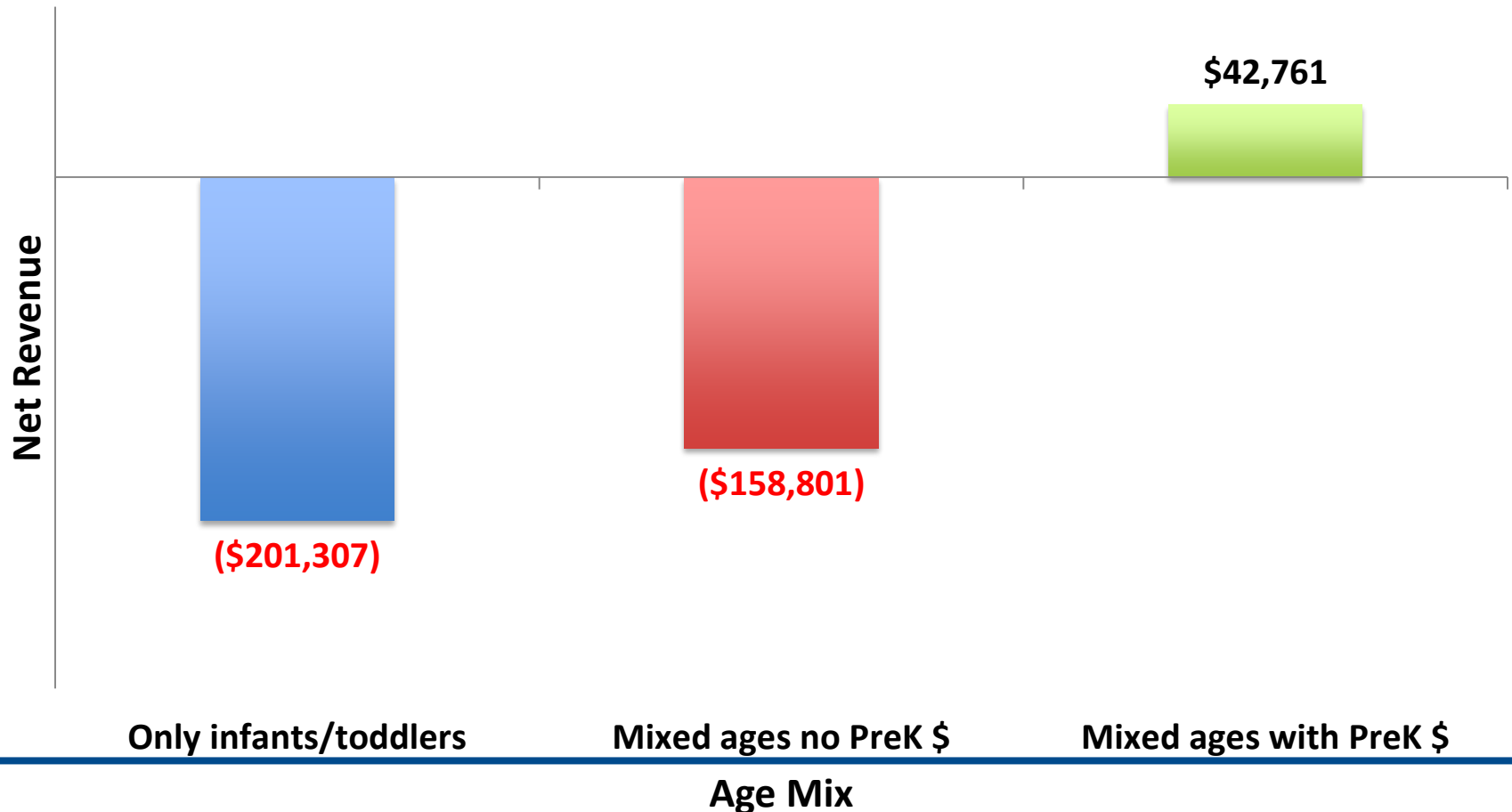
Quality Costs

Net Revenue:
4 Classrooms at 3 QRIS Levels and with Pre-K Enhancement
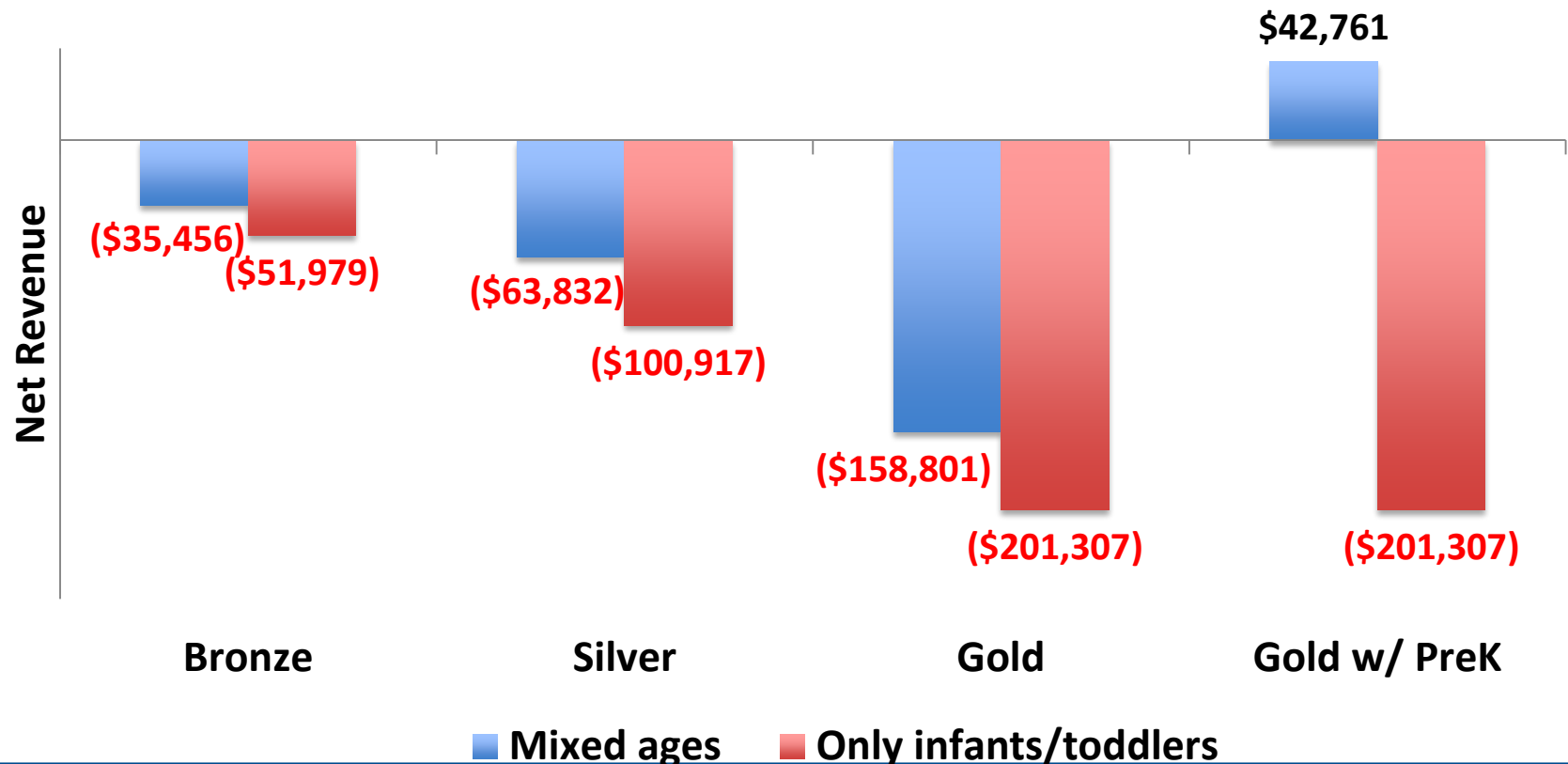
Size Matters

Effect of Scale on Net Revenue
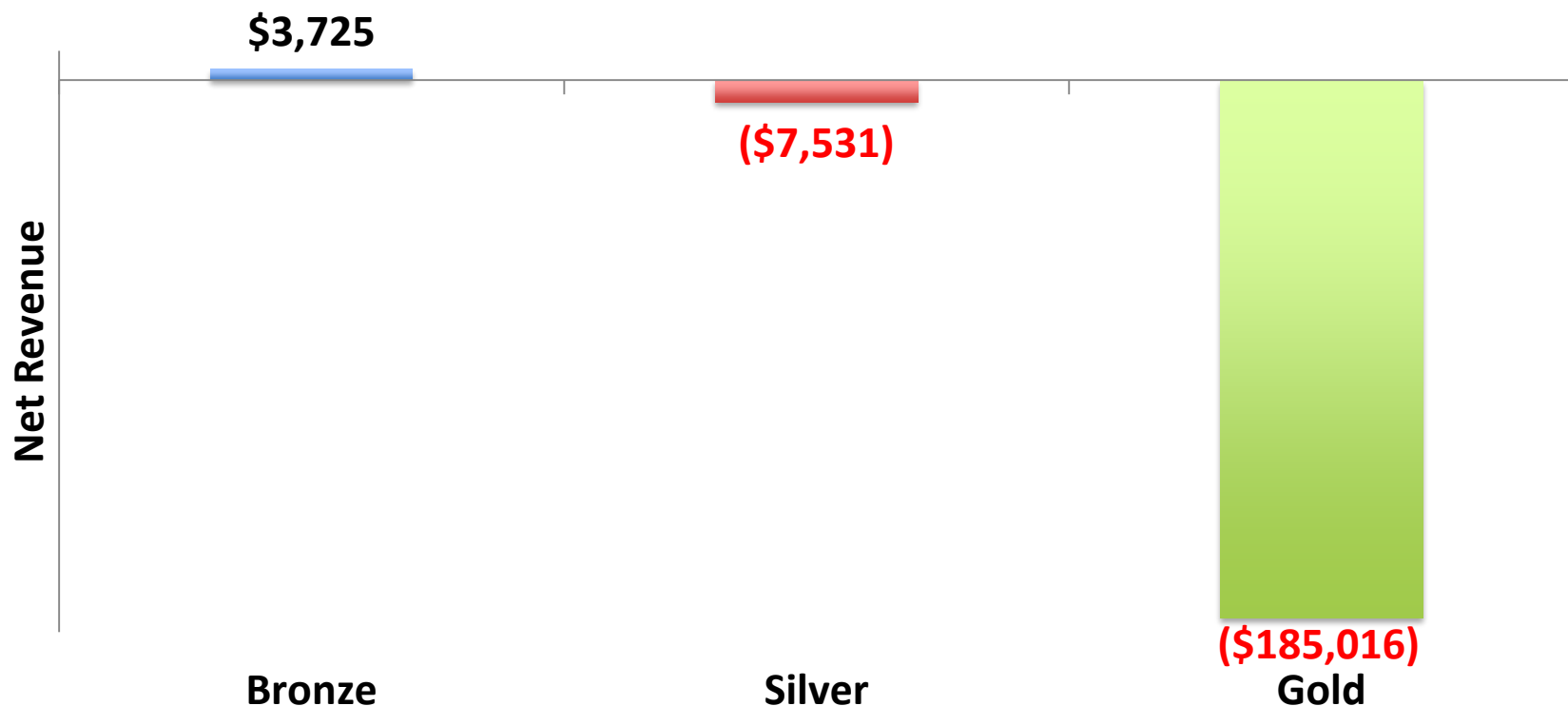Gold-Level Centers (without Pre-K Enhancement)
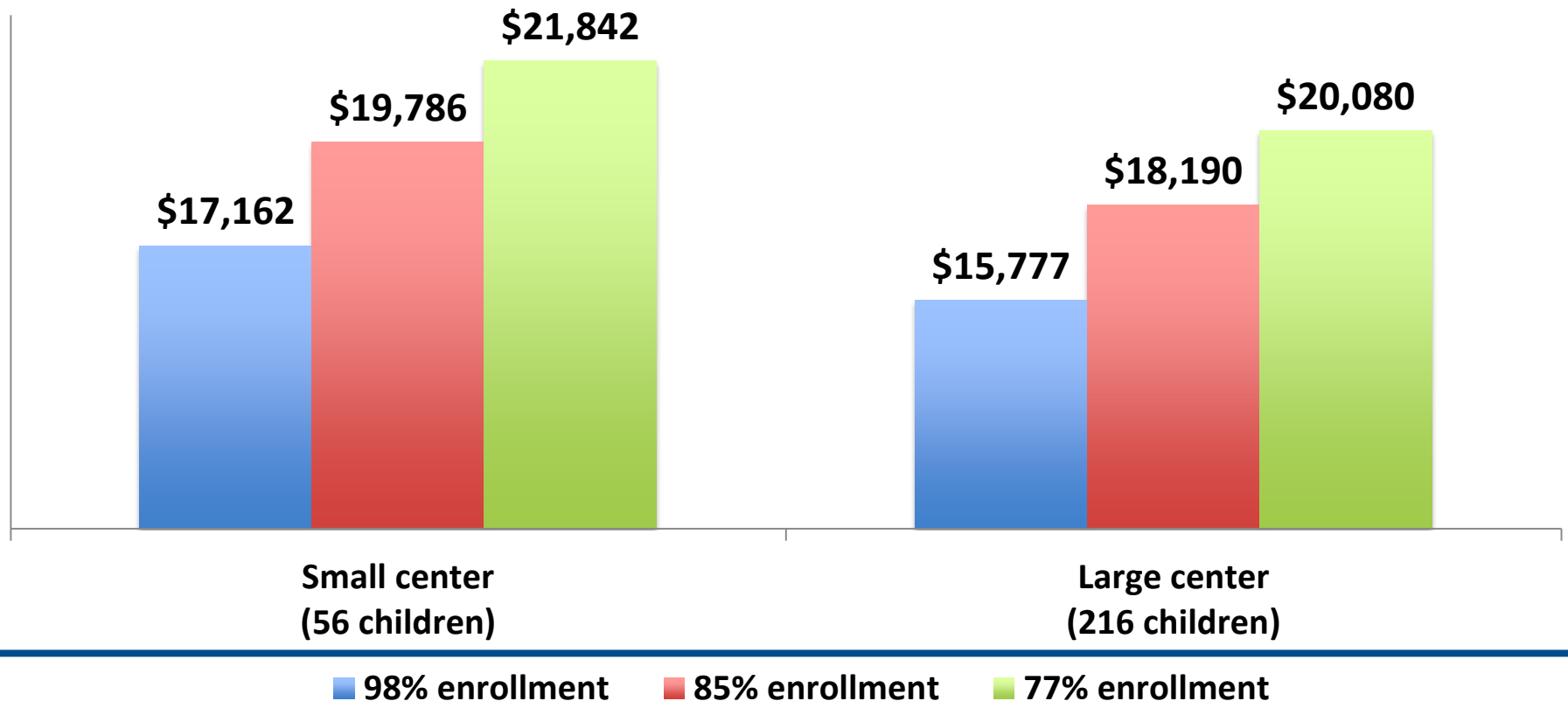
Multiple Revenue Sources are Essential

- The Child and Adult Care Food Program (CACFP) is a federal funding stream that is available to all child care providers who serve low-income children.

- A small child care center (that serves only 56 children) could receive as much as $65,000 in additional revenue from the CACFP.
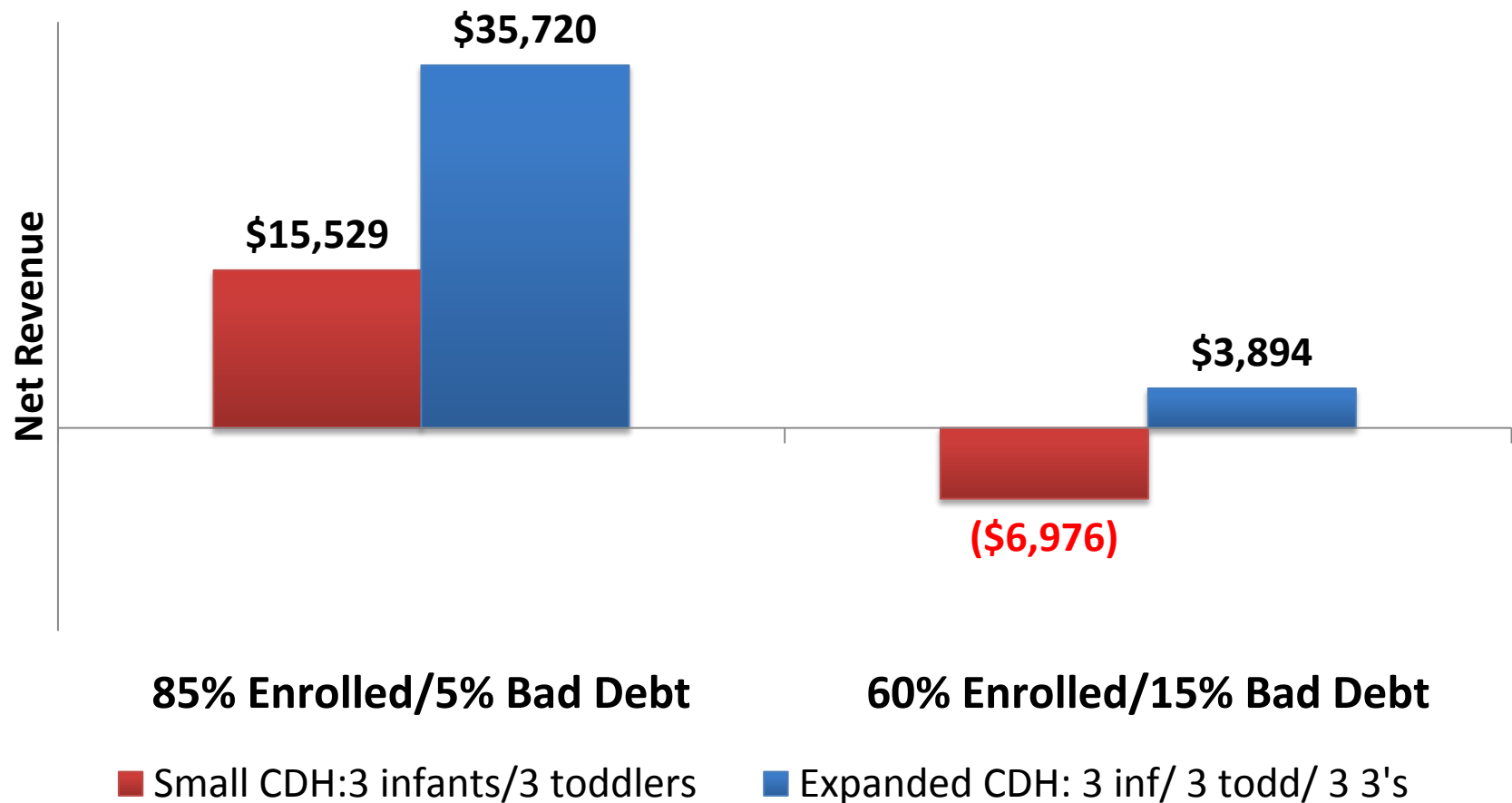
What About Family Child Care?

Full Enrollment

Full Fee Collection

Revenues Cover Per-Child Cost
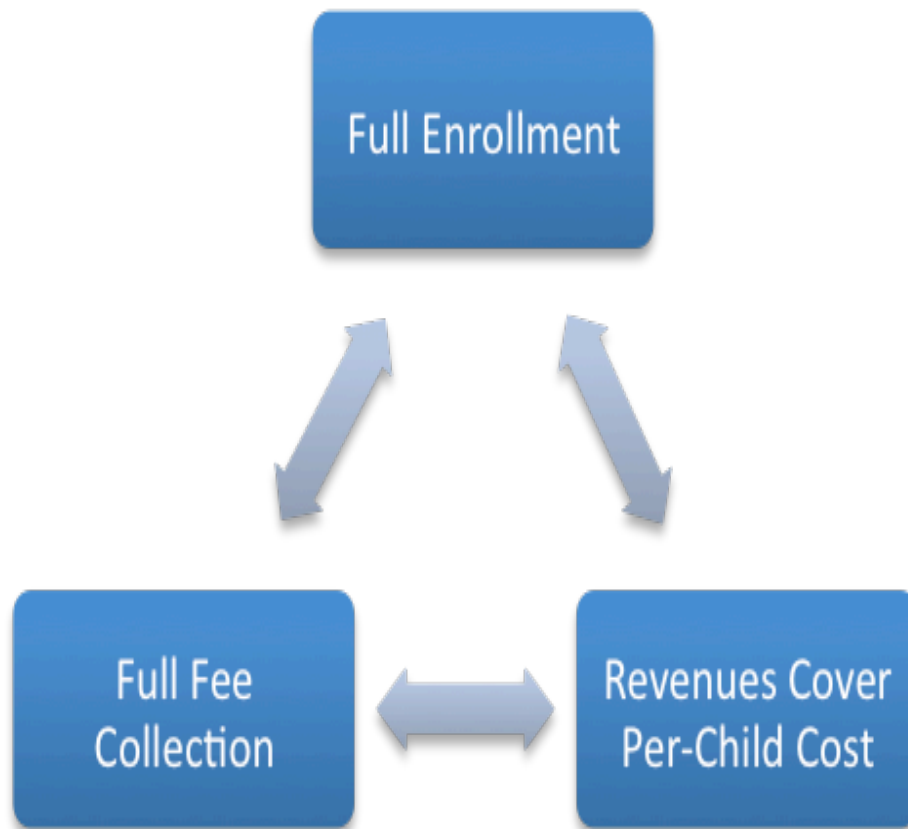
The same cost factors apply in FCC however, enrollment and fee collection challenges are more significant cost drivers.

Lessons from Cost Modeling

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Early Childhood Innovation Network

Early Childhood Innovation Network

- Established through a 5 year gift from the **J. Willard and Alice S. Marriott Foundation**

- **Children's National Health System** & **Medstar Georgetown University Hospital/Georgetown University Medical Center** will launch and lead the ***Early Childhood Innovation Network (ECIN).***

- The Network's core team will engage **public**, **private**, and **philanthropic partners** throughout Washington, DC

EDUCATION-ACTION-RESEARCH-ADVOCACY

Mission:

- To ensure that all children in Washington, DC, are able to thrive and reach their fullest potential by taking a science-based and cross-sector approach to strengthening families and the systems which support them, thus decreasing the impact of trauma and toxic stress

Vision:

- Children in our city will receive the best possible start in life, setting the stage for long-term health and success
- Providers, such as pediatricians, early childhood educators, and social support workers who interact with young children will work collaboratively, synergistically, and with a minimum of duplication towards the common goal of strengthening families
- Systemic policies and procedures will ensure children, families, and providers are able to access the high-quality interventions and timely supports they need
- Evidence and research will rigorously inform program development and guide expansion and replication, serving as a best practice model for the nation

Early Comprehensive Childhood Systems Impact (ECCS Impact) Funding Opportunity

ECCS Impact Grant

- U.S. Department of Health and Human Services, Health Resources and Services Administration, Maternal and Child Health Bureau

- New, competing continuation grant (five-year)

- Application due date: March 15, 2016

- Partners: OSSE, DOH, CFSA, ECIN, DC Promise Neighborhood, Smart from the Start, and Urban Institute.

ECCS Impact Grant Cont'd

Place Based: Woodlawn Terrace, Kenilworth-Parkside, Benning Terrace and Barry Farm

Primary Aim: Within 60 months, participating communities will show a 25 percent increase from baseline in age appropriate developmental skills among their communities' three (3) year olds.

DC outcomes: Improved language acquisition in young children and a reduction in maternal depression

Public Comment