



Agency Recommendation Summary

The Department of children, Youth, and Families requests \$324,000 (\$287,000 General Fund-State) and 1 Full Time Equivalent (FTE) in the 2023-25 Biennial Budget to continue the organizational license pilot for the third and final year. Current licensing processes make it difficult for organizations with multiple child care centers and school age sites to license and maintain new programs due to inefficiencies and redundancies in the system. The 2021-23 operating budget created a pilot project to determine the feasibility of a child care license category for multi-site programs to occur from July 1, 2021 –July 1, 2024. The project was initially funded through June 30, 2023. Funding is needed to continue the pilot in the third year of the work, and for one year of implementation activities.

Program Recommendation Summary

030 - Early Learning

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090 - Program Support

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Fiscal Summary

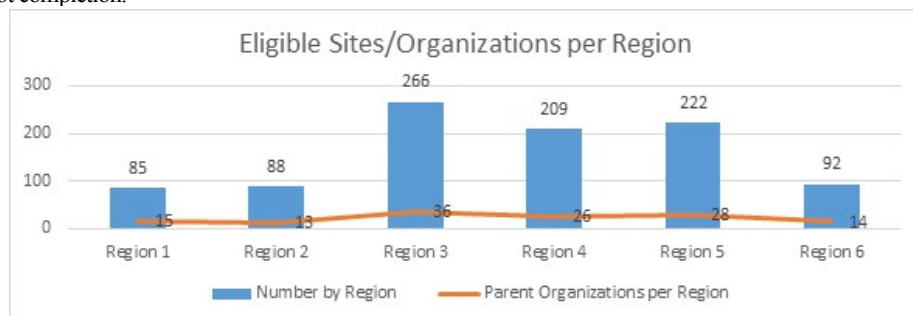
Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Staffing						
FTEs	1.0	1.0	1.0	0.0	0.0	0.0
Operating Expenditures						
Fund 001 - 1	\$95	\$154	\$249	\$0	\$0	\$0
Fund 001 - H	\$31	\$0	\$31	\$0	\$0	\$0
Fund 001 - A	\$3	\$3	\$6	\$0	\$0	\$0
Fund 001 - 1	\$19	\$19	\$38	\$0	\$0	\$0
Total Expenditures	\$148	\$176	\$324	\$0	\$0	\$0
Revenue						
001 - 0393	\$3	\$3	\$6	\$0	\$0	\$0
Total Revenue	\$3	\$3	\$6	\$0	\$0	\$0

Decision Package Description

During the COVID-19 pandemic child care organizations with multiple center-based or school-age sites encountered barriers to adding new sites to meet the community's need for licensed child care. This highlighted long standing administrative inefficiencies that organizations with multiple center-based sites experience; the pandemic also highlighted our need to address these inefficiencies before the next crisis occurs. The 2021-23 biennial budget required DCYF to establish a pilot project to determine the feasibility of a child care license category for multi-site programs operating under one owner or one entity. The budget proviso directed the work to occur from July 1, 2021 – July 1, 2024; however, the project was only funded for two years, through June 30, 2023. Funding is needed to continue this work through the pilot completion and provide enough time to implement any programmatic recommendations through rule revisions, trainings and outreach. Please refer to the attached program overview titled “DCYF Organizational License Project Overview” to read how the organizational license pilot will address barriers and explore the streamlining process.

Current pilot status: DCYF has collaborated with various stakeholders and child care businesses to develop an intentional pilot design to examine potential regulatory changes that could be made to create an organizational license category. DCYF is modeling this pilot work on the successful Outdoor Preschool Pilot Project that resulted in the creation of an outdoor nature-based care licensing program with extensive stakeholder participation and buy-in. Pilot participants have been selected and will work with the agency over the next two years to determine ways to streamline and improve ease of meeting licensing requirements for organization or individuals operating three or more child care facilities while simultaneously ensuring considerations for child safety and license accessibility. Additionally, this pilot is already exploring how organizations with multiple sites and other organizational programs serving children are able to expand community-based services to all Washington state children.

Current data indicate that statewide, there are potentially 90-100 organizations (one owner or entity of a child care program with two or more sites) with approximately 950-1000 individual providers (sites or locations) that would qualify for a new organizational license category upon pilot completion.



The capacity of the organizational license pilot is currently 216 licensed child care facilities with potentially more than 40 Organizations.

Interested organizations are able to enroll 3 to 7 sites only. The organization can identify all pilot sites as existing licensed child care under the organization, applications for all new child care facilities, or a combination of existing and new. With this pilot structure, DCYF anticipates being able to provide enough of a participant sample to show statistically significant results, allowing participants and licensing staff to practice the process while keeping the workload manageable. DCYF is also ensuring pilot participation includes representation from government, non-profits, for-profits, and school district programs.

Organizational licensing has the potential to streamline licensing and monitoring processes to create greater efficiencies allowing programs to more effectively open, expand and maintain multiple quality licensed child care and school age facilities throughout the state. The additional pilot year (year 3) will assist Licensing Division to 1) complete the data collection process with participating organizations, 2) begin evaluating pilot data and, 3) compare initial results to the licensing systems functionality and structure to answer the maintenance question of feasible.

Additionally, DCYF will need to effectively and efficiently transition the organizational license category into practice. It will be important to conduct outreach and training for all licensed child care center and school age programs within the state on the processes of an organizational license category. This outreach could include 1000 or more providers. DCYF will also need to develop internal practice changes and train licensing staff on how to license and monitor to the new category which includes training development, rule changes and policy and procedure development.

Therefore, the final transition year (year 4) will fund the retention of the project manager to serve as the transitional manager and subject matter expert throughout the entire transitional year. It will also fund non-personnel costs related to communication, staff training, provider and tribal engagement and rule development such as venue rental, training and marketing materials, and travel. Adequate communication, engagement, and training serves to ensure a successful process and transition. This will help consistent practice across multiple programs in one organization and assist new organizations bring on new programs.

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

The 2021-23 biennial budget provided \$414,000 (proviso 2C0) to fund a Multi-Site License Pilot estimated to take 3 years. This is a request for funding required to complete this pilot and implement the new license.

Detailed Assumptions and Calculations:

Marketing and Training total costs are \$28,000 GF-S FY25

As the new license moves from the pilot to implementation it will have to be marketed to providers and staff will have to be trained on the requirements for the new license.

Using marketing costs spent on the pilot as a model, projected marketing costs: \$19,000.

Training will be performed by members of the licensing department's current staff, so training costs only need to cover travel, facilities, and materials. Each training session is estimated to cost \$2,300 with 4 training sessions covering licensing staff across the state. Total training costs: \$9,300 (4 sessions * an average of \$2,300 per session).

Workforce Assumptions:

Project Manager total cost \$296,000 (GF-S \$259,000) and 1.0 FTE

Continuation of 1.0 Management Analyst 5 FTE acting as a project manager including \$1,800 per year in goods and services and \$2,400 per year in travel:

FY24: \$125,757

FY25: \$125,757

A 18.43% admin support rate is applied to all FTE costs to fund program support functions that scale with additional FTEs such as HR, IT, and Fiscal. This cost is represented in object T of this decision package. 13% of this admin support rate is funded via Title IV-E.

FY24: \$22,403

FY25: \$22,403

Original funding was provided in ARPA federal stimulus funding. This federal stimulus funding will expire in September of 2023, so the remaining funding is being requested in general fund state.

Strategic and Performance Outcomes

Strategic FraThe organizational license pilot assists with organizations to open and maintain multiple early learning

facilities in an effort to intentionally enhance availability of services, create least restrictive environments for these programs to thrive and expand access to needed child care services and improve the quality of the entire design of this pilot (and our intention of our practice in early learning licensing) for licensing and oversight: streamline licensing activities for field staff creating growth opportunities for licensing and oversight: streamline licensing activities for field staff that at least one child care facility entering the pilot be located in a community of color, located in a community significantly impacted by COVID-19, or located in a marginalized or low-cap-income community. This practice for family economic DCYF also applied a racial equity tool to all development and design elements within the pilot including meetings, recommendations, and decisions with the goal of working toward the agency goal of becoming an anti-racist agency. DCYF will continue to use the racial equity tool as we continue to run the pilot,

Performancegather and analyze data, and report on the outcomes.

The performance outcome expected from this project is to improve licensing quality and services to center based and school age programs operating with multiple sites with one owner or entity. By adding another year of the pilot, we will be able to determine if the organizational license process will reduce licensing violations at all sites in one organization from the beginning of the three year data gathering to the end. Additionally, throughout the streamlining process, it is our goal to see a limited (or zero) number of centers and school age programs that start the licensing process but need to withdraw applications. Because our participant sample is only 10% of all licensed center and school age programs, we hope to see fewer than 25% of pilot withdrawal rates and no more than 20% of all new applications within the pilot withdraw prior to accomplishing licensing. This will be measured using the added pilot year proposed in the package.

We also are assessing the performance outcome of client satisfaction throughout the duration of the pilot. This is currently being measured through pre and post qualitative surveys of all participants, organizations and individual sites as well as licensing staff. Because this process creates fewer steps for inspection on individual sites, requires organizations to download fewer documents into the licensing system and streamlines the licensing process for licensors for new licensing and monitoring, we anticipate positive outcomes.

Equity Impacts

Community outreach and engagement:

Robust stakeholder engagement, ELAC, ELAA, SEIU 925, providers, EL advocates, parent groups.

The organizational license pilot assists with organizations to open and maintain multiple early learning facilities in an effort to intentionally enhance availability of services, create least restrictive environments for these programs to thrive and expand access to needed child care services and improve the quality and intention of our practice in early learning licensing.

We recruited for this project statewide from urban, rural, and suburban communities. Pilot criteria required that at least one child care facility entering the pilot be located in a community of color, located in a community significantly impacted by COVID-19, or located in a marginalized or low-income community. DCYF also applied a racial equity tool to all development and design elements within the pilot including meetings, recommendations, and decisions with the goal of working toward the agency goal of becoming an anti-racist agency. DCYF will continue to use the racial equity tool as we continue to run the pilot, gather and analyze data, and report on the outcomes.

Disproportional Impact Considerations:

Supports expansion of high-quality care for low-income communities. DCYF applying racial equity tool for design and implementation of pilot.

Target Populations or Communities:

Pilot recruitment in urban, rural, and suburban communities. At least one participant must be located in a marginalized or low-income community.

Other Collateral Connections

Puget Sound Recovery:

Not applicable

State Workforce Impacts:

Not applicable

Intergovernmental:

We have consulted with Tribal Partners (IPEL) on the pilot design and will continue to provide updates on the pilot and request input. Tribal Partners are eligible to participate in the pilot, but we have not had any applicants to date. We have pilot participants representing government, non-profit and for-profit organizations. Metro Tacoma Parks and Educational Service District 112 in Vancouver are government programs that collaborated in the pilot design and are participating in the pilot. No other intergovernmental impacts exist.

Stakeholder Response:

This pilot originally came from providers asking for this type of licensing innovation. Pilot participants are pleased with the process and are in support of this funding proposal.

The original impetus for the pilot came from child care organizations who wanted DCYF to focus largely on a faster initial licensing process and administrative issues. Other areas of interest included being able to upload documents such as family handbooks and program policies to one place and have it linked to all sites. Stakeholders also requested the maximum amount of administrative efficiencies to be able to provide care while at the same time meeting compliance with CCDF, Subsidy, and Early Achievers.

Stakeholders, including child care centers and school age providers, are invited to participate in monthly observer group meetings while the pilot is running. These meetings provide stakeholders the opportunity to hear regular updates, review reports, provide oversight and input on the pilot. Organizations and licensing staff involved in the design so far have expressed many ideas about what the pilot is and what their expectations are for the pilot. Some of our pilot participants have been very involved in the design and will continue providing input throughout the pilot and into implementation.

State Facilities Impacts:

Not applicable

Changes from Current Law:

Pilot Chapter 110-303 WAC was filed for the duration of the pilot. These outline the responsibilities and expectations of organizations participating in the pilot. All individual sites listed under an organization are still required to follow all current child care and school age licensing WAC. We will assess any additional chapters or changes to current rules at the completion of the pilot and during the transitional year. No RCW changes are projected to be required to implement the new licensing category upon completion of the pilot.

Legal or Administrative Mandates:

Not applicable

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Obj. A	\$92	\$92	\$184	\$0	\$0	\$0
Obj. B	\$30	\$30	\$60	\$0	\$0	\$0
Obj. E	\$2	\$26	\$28	\$0	\$0	\$0
Obj. G	\$2	\$6	\$8	\$0	\$0	\$0
Obj. T	\$22	\$22	\$44	\$0	\$0	\$0

Agency Contact Information

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