

# 2019-2023 ECEAP Cost Study

## ECEAP Cost Study Phase 1, 2020

In the winter of 2020, DCYF embarked on a cost study to analyze the actual spending of [Early Childhood Education and Assistance Program \(ECEAP\)](#) contractors statewide. The study was initiated by HB 1391, which directed the Department of Children, Youth, and Families (DCYF) to make recommendations related to differential slot rates for ECEAP taking into consideration variations by geographic region, contractor type, child risk factors and teacher credentials. To meet the mandate of the legislation, DCYF needed to more accurately identify major cost centers in delivering ECEAP as required, and more accurately determine the costs providers were experiencing in delivering required services. DCYF contracted with [ICF](#): Strategic Consulting and Communications.

In this work ICF created a survey that asked questions of ECEAP contractors at both the contractor and site level to determine a spending analysis. The survey launched in March of 2020, right as the state mandated lock down for COVID-19 went into effect. The pandemic created some significant challenges around access to financial data, adequate capacity to provide data through surveys, and overall participant numbers. Flexibility was provided to increase provider feedback.

The final survey responses yielded at least partial data from a total of 136 sites out of 386 sites invited to respond, representing 35% of all sites. DCYF received data from contractors who operated in community-based settings or school districts settings and who provided either Part Day or School Day models. ECEAP has a third model called Working Day. Data gathering did not result in sufficient data submission. As a result, this model is not accounted for in the Phase 1 Cost Study.

## Overview of Results

Below are some general findings the study identified with the available data. DCYF also identified additional opportunities for data collection or analysis.

- **Per-pupil costs are estimated at levels that are above ECEAP reimbursement rates** for both community-based and school-based programs for both part-day and school-day program models.
- **Compensation levels tend to be higher for school-based programs than community-based programs**, except for assistant teachers and program directors.
- For both school-based and community-based programs, **wages among the programs responding to the survey are higher in urban areas than in rural areas.**
- **The study found a positive and significant relationship between salaries and the length of time teachers and assistant teachers have been with an ECEAP program** in both community-based and school-based programs.
- Labor costs are typically the most significant cost that preschool programs encounter, but **Washington's ECEAP rates may not reflect the variation in labor costs by region.**



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- **ECEAP contractors and sites identified multiple challenges related to implementing ECEAP,** including challenges in maintaining staffing requirements, maintaining staff that are effective at managing children with challenging behaviors, the need to subsidize ECEAP programs with other funding sources and providing cost-effective transportation.

The extensive time investment from the ECEAP Provider community resulted in a successful first study and a 10% increase in funding per child at the beginning of the next legislative biennium. This report can be found on the DCYF website.

## ECEAP Cost Study Phase 2, 2022

In preparing for ECEAP expansion and DCYF's ongoing commitment to ensure functional rates for service, DCYF prepared for a second phase of ECEAP cost modeling. Phase 1 of the ECEAP Cost Study focused on structural alignment and related costs. That study revealed a clear gap between wages within ECEAP and comparable wages in Washington state and the need for a second phase of evaluation.

The second phase focused on updating the cost study using objective and published wage data. An initial comparison identified that wages offered by ECEAP providers were not competitive with comparable Washington state wages. This paired with the ongoing shrinking workforce that contractors faced after the pandemic, resulted in the need to more quickly complete Phase 2 of the ECEAP Cost Study. During the summer of 2022, DCYF partnered with the [Center for Economic and Business Research at Western Washington University](#) to expand the initial cost study findings to reflect true costs versus reported costs. This effort focused on updating the initial staffing costs with competitive fair market wages. You can find a summary of this work on the DCYF website and links to additional resources.

This work is a first viable step in creating pay parity with K-12 and livable wages for ECEAP staff across the state. As a result, in the 2022-23 Legislative session, DCYF included a 40%-rate increase for School Day and Working Day slots. Part Day slots were not included in this decision package ask as conversion of Part Day slot to School Day and Working Day slots is needed to reach entitlement.

Stakeholder engagement is a key tenet of DCYF programming and DCYF is committed to using equity-based approaches in this work moving forward. Examples of how DCYF plans to do this, include:

- lifting community voices and input around the complexities that rural and remote communities face
- funding models that fully compensate some of the poorest paid staff with the highest job turnover rates in the state
- Funding models that more purposefully incorporate teacher and child demographics to highlight anticipated persistent inequities currently embedded in funding structures.



## ECEAP Cost Study Update, 2023

DCYF is building a rate-setting infrastructure to support providers to hire and retain high-quality staff from the community. This is a new and growing resource within DCYF. Because of the pending requirements for ECEAP expansion, DCYF prioritized ECEAP for a follow up analysis and updated the wages for ECEAP staff. These changes include increases in almost all the direct-service positions previously explored in the ECEAP Cost Study work with Western Washington University.

DCYF has not yet identified the frequency for refreshing rates. We anticipate this will be done in four-year cycles, depending on economic and social drivers.



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