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DEL is the lead agency for child care policy. Eligibility determination for families and payment to providers are functions handled by DSHS. DSHS makes use of several separate computer systems and the supporting personnel to provide these services including WCAP for eligibility determination, barcode for data warehouse transfer, and SSPS for payment processing and other associated requirements around issuing 1099, health insurance, and union dues.

DEL currently is managing WCCC to limited enrollment and within an established budget. Families that are **TANF or families that are non-TANF with special needs children are prioritized for WCCC benefits**. DEL also manages the DSHS activities around child care policy, eligibility authorization issues, policy manuals, policy clarifications, approval of staff training, data and other requests for information. The current WCCC system is capped at 33,000 households. The waiting list that was established in March 2011 was reduced to zero towards the end of September 2011. DEL continues to monitor enrollment, expenditures against enrollment, and overall budget. Current Governor's office budget proposals include an additional cut of \$50 million. A cut of \$50 million over a fifteen month period through the end of the biennium would result in the **reduction of approximately 5,000 households**, presuming an April implementation of the proposed cut.

National Economic Perspective

DEL has consulted with Dr. Mildred Warner at Cornell University regarding use of her economic model regarding the recession, stimulus, and the child care sector. While the model has been used nationally to encourage investment of federal economic stimulus dollars, DEL was the first to make use of the model for analysis on proposed reductions in funding of child care in Washington in 2010.

Economic Impact Analysis for Washington Child Care Subsidy Reduction Exercise - Cornell University Model			
*Includes an earlier policy change from 200 FPL to 175 FPL, January 2011, approximately 2500 households dropped			
Eligibility model	12 month savings	Households Dropped	
37180 (pre-March 2011 freeze at 35,200) to proposed 28000 Households, plus 2500 households	(\$98,112,000)	11680	
Child Care Workers (excludes self employed) (BLS, 2008)		13230	
Self Employed Licensees - Family Homes (October 2011 data)		4982	Approximate statewide child to staff ratio
			9.58 [↑] excludes exempt in-home providers
		Total**	18212
			** note - this excludes exempt in-home care providers
Economic Impacts			Number of Children Impacted
Direct Effects	(\$98,112,000)		19856 [↑]
Linkage Effects:			Number of Child Care Jobs Impacted at ratio
Economic Output Loss (short-term) (multiplier is 1.99)	(\$195,242,880)		-2074
Employment Impact - Loss (multiplier to child care jobs lost is 1.51)		(3,131)	
Average Child Care Worker Income \$24,984/yr	(\$78,226,571)		
Social Infrastructure Impact			
Parents (using households dropped)		11680	
Parental Income \$20,000/yr or \$10/hr (At 100% job loss)	(\$233,600,000)		
Impacts	Output Loss	(\$195,242,880)	
	Job Loss	(\$78,226,571)	
	Sub total	(\$273,469,451)	
Presume 30% loss of parental income due to child care	Parental Income	(\$70,080,000)	
	Total Economic Impact	(\$617,018,902)	

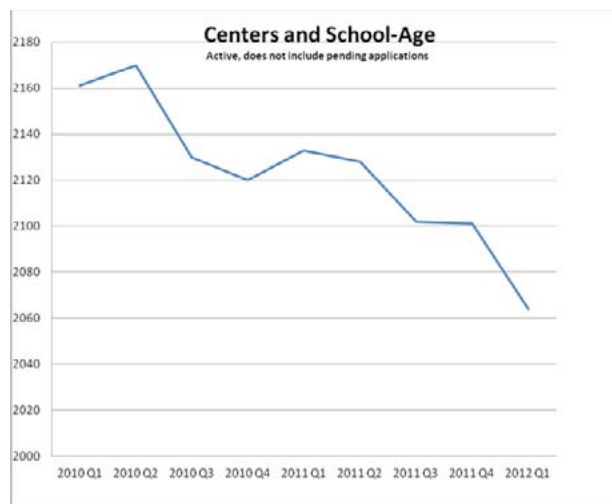
Dr. Warner noted, "Economists and planners are recognizing the important contributions the early care and education sector makes to the economy in both the short and long terms...We find the child care sector has linkages to the rest of the economy that are equally strong or greater than retail, tourism, and other social infrastructure such as hospitals, job training, elementary and secondary schools and colleges and universities."

[Recession, Stimulus, and the Child Care Sector, Understanding Economic Dynamics, Calculating Impact, 2009 & Child Care Multipliers: Stimulus for the States, 2009]

Recession Period Child Care Trend Data

Beginning in January 2010, child care center and school-age active licenses started to decline from a high of 2,170, stabilizing briefly at 2,128 in January 2011, followed by a continued decline to 2,064 by the end of October 2011.

The associated reduction (Q1 2010 to Q1 2012) in available child care slots went from 130,964 in 2010 to 127,086 at the end of October 2011.



Beginning in January 2010, child care home licenses followed a similar pattern, dropping from a high of 5,540 active licenses in January 2010, decreasing to 4,982 by the end of October 2011.

The associated reduction (Q1 2010 to Q1 2012) in available child care slots went from 51,313 in 2010 to 47,309 at the end of October 2011.

The total child care capacity dropped from 182,277 to 174,395 during the same period.

