

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the City Administrator



Office of Budget and Performance Management

FY 2021 PROGRAM ENHANCEMENT - FORM 2

Agency Program Enhancement Request Details

This form enables agencies to submit a budget enhancement request with supporting details, as part of the budget formulation process led by the Office of Budget and Performance Management.

Enhancement requests should be for innovative, evidence-based ideas around new spending that will improve the quality and efficiency of city services provided to District residents, or for additional resources needed to support substantial volume increases in services provided or necessary to maintain existing service levels.

IMPORTANT NOTES ABOUT SUBMITTING AN ENHANCEMENT REQUEST:

- Sections I and II are required for all enhancement requests.
- Sections III and IV are required for enhancement requests \$400,000 or larger.
- Section V is required for enhancements designed to replace services from a proposed reduction.
- Submit your enhancement request(s) to: Saesha Carlile, Deputy Budget Director and your OCA budget analyst only. Please submit each unique enhancement request on a separate enhancement request form.



I. Enhancement Request Snapshot

Agency Name: Office of the State Superintendent of Education

Agency Code: GD0

Enhancement title: Childcare Subsidy Payments

This request is priority # 1 out of 5 for this agency.

Agency Point of Contact: Elizabeth Groginsky

Date: November 8, 2019

What is the amount of Local funds requested?

Personnel Services Funds	Non-Personnel Services Funds	Total Funds
\$0	\$10,000,000	\$10,000,000

Number of new FTEs requested: 0

What type of cost will this enhancement be? (select one)

One-time / Partially recurring / **Recurring**

If it is a recurring, or partially recurring cost, what do you estimate to be the costs in each of the following years?

FY 2022	FY2023	FY2024
\$10,000,000	\$10,000,000	\$10,000,000

Please summarize this enhancement in two sentences, where the first sentence tells us what the enhancement is, and the second sentence tells us what the expected impact of the enhancement would be:

In order to ensure access to high quality child care for all District residents, the District must take a multi-pronged approach:

1. Access: Increase the numbers of slots available across all 8 wards, especially for infants and toddlers;
2. Affordability: Increasing the reimbursement rate for the District's subsidized child care program and other fiscal incentives such as the tax credit that was implemented in FY19
3. Quality: Continue to raise the quality of child care through Capital Quality, the Quality Improvement Network and various workforce investments and development programs.

This enhancement will support OSSE's effort to address the second prong with an increase to the child care subsidy budget to sustain the gains from FY19 and FY20 (historic rate increase, additional children accessing program, full implementation of Capital Quality and the new High-Quality designation). The additional funds would increase the number of high-quality and quality programs in the District, increase by 500 the number of quality or high quality slots, and incentivize downtown child development facilities to participate in the subsidized child care program.

Please detail here or in an attached spreadsheet what the requested funds would purchase (personnel, equipment, contracts, etc.). For each proposed FTE, list the proposed grade and position type/title.

The funds would support child care slots for eligible child and families at child care providers participating in the subsidy program. Each participating child care provider signs a contract with the District, and is reimbursed for care provided by child on a monthly basis, at a [rate](#) based on the provider's [Capital Quality](#) designation.

II. Rationale

What problem for the District are you aiming to address?

The District of Columbia has a robust subsidized child care program for vulnerable children and families, but is currently only reaching approximately 56% of all children who are eligible for the program, which equates to 11,250 of 20,000 children in the District. Initial income eligibility guidelines are set at 250 percent of the federal poverty level or lower, and families are phased out when income reaches 300 percent of the federal poverty level or 85 percent of State Median Income, whichever is higher. Additional funds would enable more access and continuity of care for vulnerable families, including children experiencing homelessness, children of families at or below 100 percent of federal poverty line, and children with special needs.

What are the reasons why this problem exists?

Significant local investments resulted in the FY19 historic [rate increase](#), based on the [cost of care](#). While FY20 investments sustained the gains initiated by FY19 enhancements, increased federal requirements, living and minimum wage, paid family leave tax and workforce investments will further increase the cost of care in subsequent years, resulting in the need for additional investments in the program.

How does this enhancement address this problem and its underlying reasons?

This enhancement will ensure child care subsidy reimbursement rates are aligned with the cost of care. It will also incentivize new child care providers to participate in the program, increasing the access to the number of slots available to children enrolled in the program. The funds will support the implementation of Capital Quality, the District’s redesigned Quality Rating Improvement System, supporting quality and high-quality child care.

Is this enhancement a change to an existing program/initiative or a completely new program/initiative?

- Change to an existing program/initiative (e.g., adding staff or resources, serving more or a different set of residents, making changes to the service model)
- Completely new program/initiative for DC

Cost-Benefit Analysis and/or Return on Investment: How does the amount invested relate to the anticipated/desired outputs and outcomes? (if relevant, please also submit a supporting Excel sheet)

Please ensure responses address the following:

- Are there external costs that will be incurred by other parts of DC government or non-government entities? **No.**
- Have all ongoing operating, maintenance and/or equipment replacement costs been detailed in the analysis, including potential increases to space needs (if adding FTEs or new activities), utility costs, IT equipment, etc.? **Yes.**

Will legislative support be required? (Yes/No – If Yes, please submit BSA form) **No.**

IMPORTANT: If this enhancement request is for \$400,000 or more, **you must** also complete sections III, and IV. Incomplete submissions will be returned.

III. Draft Project Plan

Please complete this draft project plan to depict how the use of these requested funds would be managed. This will help demonstrate that the plan will enable the delivery of results before the end of the fiscal year. This will also help OBPM determine when full funding will be required for the full implementation of this initiative. Complete as best you can, with the understanding that this draft project plan may evolve if/once the enhancement is granted.

Project Owner: (Who is the single person who will be *most* responsible for this initiative?)

[If the project owner must be hired, specify who will own the project until that time]

Name: Elizabeth Groginsky

Title: Assistant Superintendent of Early Learning

Email: Elizabeth.Groginsky@dc.gov

Phone: (202) 727-2814

Other Key Team members (Add more as needed):

Name: Rebecca Shaw

Title: Director of Operations and Management, Division of Early Learning

Role in this project: Program management

What other agencies or stakeholders would be critical to this project's success, and what communication have you had with them?

The Department of Human Services (DHS) conducts eligibility determinations on behalf of OSSE. OSSE and DHS leadership meet regularly to discuss any issues or concerns with the program, as well as communicate policy and procedural changes.

Project Timeline: (Place expected milestones, by month. Some months may be blank.)

See table below.

Tasks & Milestones	FY2020				FY2021											
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Update cost model to determine the cost of child care in the District.																
Review the rates and update as necessary to align with the cost of care and Capital Quality observations/designations.																
Submit update to regulations for the rate increase.																
Prepare communications to provider and stakeholder community regarding the rate increase.																
Conduct outreach on rate increase, effective on October 1, 2020.																
Prepare child care reimbursement on an on-going monthly basis.																
Monitor enrollment and expenditures on an on-going monthly basis.																

IV. Draft Project Evaluation

Please complete this draft project evaluation to describe evidence that already supports the initiative, metrics that will demonstrate its success, and significant risk and success factors.

OBPM will categorize the research evidence you cited based on whether:

- *the study design was rigorous and the study was well-implemented;*
- *the findings are positive and statistically significant; and*
- *the evidence is based on a model and population similar to the proposed enhancement.*

Have questions about the evidence? E-mail thelab@dc.gov. The Lab can pre-review the evidence agencies are thinking of citing, brainstorm future evaluation ideas, offer ideas on where to look for evidence, help agencies think through the evidence they've found.

If the enhancement is granted, is your agency willing to evaluate whether the enhancement actually achieves the desired outcome for a randomly selected group of residents or neighborhoods?

Yes

No

What evidence supports the likelihood that this enhancement will achieve the desired outcome? Please describe outcomes from similar efforts that have been undertaken before in the District and/or in other cities. If possible, include formal evaluation studies as well as lessons learned from both successes and failures in any similar attempts. *Provide links to or cite your sources.*

Many studies have been conducted to show the positive impact of early care and education on vulnerable children. The [Heckman Equation](#) shows that high quality, birth-to-five early childhood education provides a higher rate of return than preschool alone. The research shows that investments in early care and education yields a 13 percent return on investment, as well as multi-generational effects, which can help break the cycle of poverty.

Additionally, access to affordable child care increases labor force participation and supports state and local economic growth. Maternal labor force participation in DC has increased by 10 percent, attributable to the Pre-K Act (source: <https://www.americanprogress.org/issues/early->

childhood/reports/2018/09/26/458208/effects-universal-preschool-washington-d-c/).

Investments in child care subsidy increases access for vulnerable children and families, however the economic impacts are felt city-wide.

Is your enhancement identical to the model the evidence comes from?

- ✓ Yes – the enhancement is identical to the model the evidence comes from and the population served is similar. Below, indicate how you will make sure your agency will implement the model fully.

OSSE will use the additional funds to support early care and education providers through subsidy reimbursement rates. The reimbursement rates will support child care provider quality, incentivize participation, and increase access for children and families.

- No – the enhancement differs from the model the evidence comes from, is just a part of that model, serves a different population, etc. Below, describe how it differs and why:

List agency key performance indicators (KPIs) that will result from this enhancement.

List KPIs from most significant to least. If you are proposing a new KPI, write “NEW” in the columns for FY2018-FY2020 Actual.

	<i>Key Performance Indicator</i>	<i>Directionality</i>	<i>FY2018 Actual</i>	<i>FY2019 Actual</i>	<i>FY2020 Actual</i>	<i>FY2021 Target</i>
1.						
2.						
3.						

V. Proposed Budget Swap

Agencies may be interested in a new program or approach to a problem because they believe it is more effective than what they are currently doing. Enhancements are more likely to be approved if they replace a corresponding, less effective reduction.

Reduction title (from Form 1): _____

Total amount reduced: _____

What evidence is there that this reduction is not achieving desired outcomes? Please describe outcomes from the proposed reduction in the District and/or in other cities. If possible, include formal evaluation studies as well as lessons from both successes and failures in any similar attempts. *Provide links to or cite your sources.*