

Form 2 Detail: FY 2026 Enhancement Request

FY 2026 Agency Budget Request

Complete a separate Form 2 for each enhancement request. Agencies are limited to three Type D & E enhancement requests.

SECTION I. OVERVIEW Required for ALL requests

ENHANCEMENT TITLE* <h2 style="margin: 0;">Child Care Subsidy</h2>	ENHANCEMENT PRIORITY* <h2 style="margin: 0;">7 OUT OF 7</h2>
AGENCY* Office of the State Superintendent of Education (OSSE)	AGENCY CODE* GDO
AGENCY POINT OF CONTACT* Kate Gottfredson, Chief of Staff	POINT OF CONTACT EMAIL* Kate.gottfredson@dc.gov

REQUEST TYPE*
Mark the one request type that best describes this enhancement. No type is preferred over any other, but the questions in **Section II: Rationale** differ by type.

<input checked="" type="checkbox"/> A. Restore previous reduction or one-time funding <input type="checkbox"/> B. Increased cost to maintain existing activity <input type="checkbox"/> C. Operational improvement with strong business case	}	Complete Sections I-IV. Complete Section V to be considered for evidence rating.
<input type="checkbox"/> D. Expand high-performing existing activity <input type="checkbox"/> E. Completely new activity with highly likely or proven positive outcomes	}	Complete Sections I-V.

FUNDING REQUEST*
Enter amount of Local Funds requested and indicate whether funds are one-time or recurring.

FY 2026 PERSONAL SERVICES (PS)	FY 2026 NON-PERSONAL SERVICES (NPS)	FY 2026 TOTAL REQUEST AMOUNT
\$0	\$12,911,230.64	\$12,911,230.64

ONE-TIME
 PARTIALLY RECURRING
 RECURRING

FUTURE COSTS*
If recurring, enter estimated costs over next four years.

TOTAL FY 2027	TOTAL FY 2028	TOTAL FY 2029
\$12,911,230.64	\$12,911,230.64	\$12,911,230.64

ENHANCEMENT SUMMARY*
In your response:

- State the problem this enhancement is designed to address
- Describe what the enhancement is and/or how it will work
- Describe the impact the enhancement will have on the problem

OSSE requests an enhancement of \$12,911,230.64 for the child care subsidy program in FY26 to restore a portion of \$30 million reductions in local and TANF funding for child care subsidies made between FY21-25. This enhancement is needed to avoid reductions in the number of children from low-income working families and otherwise vulnerable children (e.g. children in foster care or experiencing homelessness) who can receive subsidized child care paid for by OSSE. Requested funds will cover costs of monthly payments to child care providers participating in the District's child care subsidy program, which are made on behalf of individual subsidy-eligible children enrolled in the child care provider. Funds will be distributed through DIFS and OSSE's existing child care subsidy payment policies and systems.

AGENCIES: Use this form to provide details about enhancement requests in your agency's FY 2026 budget request.

REQUIRED SECTIONS

- Sections I-IV for ALL requests.
- Section V for Type D/E requests. *Types A, B, and C can complete this section to be considered for an evidence rating.*
- Section VII for Type F requests.
- Section VI optional for all requests.

You must also submit a completed Form 2 Summary spreadsheet, including spend plan details for each enhancement request.

IMPORTANT: Agencies are limited to **three** Type D & E enhancement requests for FY 2026. If more than three Type D & E enhancements are submitted, OBPM will only consider and analyze the highest ranked.

RACIAL EQUITY BUDGET TOOL (REBT)
The Office of Racial Equity (ORE) has developed the Racial Equity Budget Tool (REBT) to guide agencies in assessing how their budgets benefit and/or negatively impact communities based on race, specifically Black,

EDITING RESTRICTIONS: This form uses editing restrictions to ensure consistent displays of information. If needed, the restrictions can be disabled by going to the Review tab at the top of the window, clicking on Protect, then Restrict Editing, and clicking Stop Protection. If prompted for a password, click OK.

Will legislative support be required to implement this enhancement?* YES NO

If yes, please submit a proposed BSA subtitle using Attachment D.

SECTION II. RATIONALE

Required for ALL requests

Has this enhancement request been submitted in past formulation cycles?*

If yes, in which fiscal years was it submitted? Mark all that apply.

YES NO

FY 2025 FY 2024 FY 2023 FY 2022 FY 2021

What problem facing the District will this enhancement address and why does this problem exist?*

Please provide as much detail as possible. Responses that identify and quantify specific problems will receive more favorable consideration.

OSSE projects insufficient funding to cover the costs of child care subsidy payments in FY26. The District’s child care subsidy program makes payments to child care providers to cover all or part of the cost of child care attendance on behalf of low-income working families and otherwise eligible vulnerable children in need of care (e.g. children in foster care, experiencing homelessness), both for children too young to enroll in public school, and for before/after-school care for school-aged children up to age 12, or 18 if the child has a disability. In FY24, OSSE distributed \$105 million on monthly child care subsidy payments on behalf of nearly 8,000 children, using funds from three primary sources: 1) Local funds directly appropriated to OSSE’s budget, 2) A combination of local and federal (Supplemental Nutrition Assistance Program (SNAP) and Social Services Block Grant (SSBG)) funds that OSSE receives from the Department of Human Services via an MOU, 3) Federal Child Care and Development Fund (CCDF) funds. In FY25 and FY26, OSSE projects having less than the FY24 expenditure level available from all sources to cover child care subsidy payments.

From FY21-FY24, the total amount of funding provided for child care subsidies from the first two sources referenced above has decreased by approximately \$30 million (\$16 million from local funds and \$12.9 million from DHS). OSSE was able to absorb these reductions in funding for the child care subsidy program because enrollment in child care subsidies declined sharply during the COVID-19 pandemic, and because the District received a large infusion of COVID relief funds for child care, through additional CCDF appropriations included in the CARES, CRRSA, and ARPA Acts. All of the supplemental COVID funds expired at the end of FY24 and are no longer available to cover subsidy program costs. Additionally, in FY23 and FY24, child care subsidy enrollment increased from the pandemic-induced low (and is now at over 75 percent of the pre-COVID high point), which, combined with increases in quality designations achieved by child care providers and the sunset of federal COVID relief funds, has put increased fiscal pressure on the program.

OSSE is requesting a restoration of \$12,911,230.64 for the child care subsidy program in FY26. These funds would replace the \$12,911,230.64 reduction in the total funding that OSSE receives through the DHS MOU between FY21 (when OSSE received \$37,189,696 in TANF, SNAP, and SSBG funds via the MOU) and FY25 (when OSSE will receive \$24,278,465.36 in local, SNAP and SSBG funds via the MOU). This enhancement would also allow OSSE to maintain FY25 funding levels for child care subsidies. Although federal COVID relief funds for child care expired at the end of FY25, OSSE was able to take advantage of the infusion of those funds for FY21-24 to carry over \$12.7 million in CCDF funds received in FY24 into FY25, partially offsetting, for one year, the impact of the “funding cliff” caused by expiration of federal COVID relief funds for child care at the end of FY24. However, OSSE projects fully expending these carried over CCDF funds in FY25, which means that, without an enhancement, the District will have \$12.7 million less to cover child care subsidy payments in FY26 than it has in FY25.

Requested funds will cover costs of monthly payments to child care providers participating in the District’s child care subsidy program, which are made on behalf of individual subsidy-eligible children enrolled in the child care provider. Funds will be distributed through DIFS and OSSE’s existing child care subsidy payment policies and systems.

Even with the requested funds, FY26 funding levels for the child care subsidy program will remain below the FY24 and pre-COVID funding levels for the child care subsidy program, which will result in a need to reduce services for District residents.

Services will need to be reduced even if the enhancement is approved, but requested enhancement will reduce the impact on DC residents.

How does this enhancement address this problem and its underlying causes?*

Please provide as much detail as possible. Responses that clearly demonstrate how the proposed enhancement will address the underlying causes will receive more favorable consideration. Please describe any data the agency has collected and/or any analysis the agency has conducted to understand the problem and its potential solutions.

The underlying cause of the projected shortfall in child care subsidy fund for FY26 is the \$30 million reduction in local and TANF funding for child care that the District made from FY21-FY25, combined with the expiration of federal COVID relief funds for child care, which supplanted the reduction in local and TANF funds in FY22-FY24. These funds would replace the \$12,911,230.64 reduction in the total funding that OSSE receives through the DHS MOU between FY21 (when OSSE received \$37,189,696 in TANF, SNAP, and SSBG funds via the MOU) and FY25 (when OSSE will receive \$24,278,465.36 in local, SNAP and SSBG funds via the MOU). This enhancement would allow OSSE to maintain FY26 child care subsidy program spending at FY25 levels. Although federal COVID relief funds for child care expired at the end of FY25, OSSE was able to take advantage of the infusion of those funds for FY21-24 to carry over \$12.7 million in CCDF funds received in FY24 into FY25, partially offsetting, for one year, the impact of the “funding cliff” caused by expiration of federal COVID relief funds for child care at the end of FY24. However, OSSE projects fully expending these carried over CCDF funds in FY25, which means that, without an enhancement, the District will have \$12.7 million less to cover child care subsidy payments in FY26 than it had in FY25.

OSSE has already made changes to how subsidy funds are used that reduce the overall costs of the child care subsidy program, result in a child care subsidy budget that more accurately reflects the costs of subsidized child care services, and focus funding on the intended population of subsidy-eligible low-income or otherwise vulnerable children and families . Specifically, in FY25, OSSE ceased using child care subsidy funds to support grant-funded out of school time (OST) programming (subsidy eligible school-aged children may still use child care vouchers to attend before- and after-school programs that accept child care subsidies). For many years, the District has used a portion of TANF and/or local child care subsidy funding to fund OST services outside the child care subsidy (voucher) program. This practice has taken multiple forms over the years, including direct funding of school-aged care provided by DCPS, a stand-alone OST grant program operated by OSSE’s Division of Early Learning (DEL) and its predecessor office within DHS (prior to the creation of OSSE) and, from 2018-2023, by transferring \$6.3 million annually in child care subsidy local funding to the 21st Century Community Learning Centers (21st CCLC) OST grant program operated by OSSE. In 2023, OSSE made a strategic decision to shift the 21st CCLC program from a hybrid federal-locally funded program to a purely federally funded program, and planned to ramp down use of subsidy funds by the 21st CCLC program by FY25. This transition, which was made to improve the quality of 21st CCLC programming, resulted in a decrease in the number of grants and children that program could support, which was partially offset in FY24 by a one-time transfer of \$3.4 million in local child care subsidy funding to the DME office of OST programming. As of FY25, however, OSSE no longer uses child care subsidy funding for these activities. Stopping these transfers partially offset the impact of revenue loss to the child care subsidy program and provides greater transparency about child care subsidy program costs and ensure that local subsidy funds are used for their intended purpose of delivering services to low-income or otherwise vulnerable children. In FY25, additional steps were taken to appropriately align early learning program budgets within OSSE. In FY25 OSSE received a one-time increase to the Pre-K Enhancement and Expansion Program (PKEEP) which raised the program’s funding level to \$21 million to fully fund the costs of the PKEEP program as implemented in accordance with the authorizing statute (the Pre-K Enhancement and Expansion Act of 2008). The rightsizing of the PKEEP budget ensured that child care subsidy funds remain available for child care subsidy monthly payments. For FY26, OSSE is proposing to eliminate funding for the PKEEP program entirely, which will further reduce cost pressures on the child care subsidy program, since subsidy funds partially cover per-child costs for low-income PKEEP enrolled students; assuming these students instead enroll in DCPS or charter schools in the absence of a PKEEP option, some of these children may still be eligible for child care subsidies for before or after school care, but the costs borne by the subsidy program would be lower,

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since before/after care payment rates are lower than those for full-day care, and some children would have access to other OST options.

OSSE anticipates taking additional steps in FY25 to control or reduce child care subsidy program costs for FY26 and future fiscal years, including: 1) Pausing updated Capital Quality designations for child care providers participating in the child care subsidy program in FY25-FY26, pending development of more long-term proposals to update the Capital Quality program (this will freeze payment rates that individual child care subsidy providers receive, which are tied to their quality ratings, through FY26); 2) Implementing a waiting list for child care subsidy program enrollment (this will mean that new families/children cannot enroll in the program until projected costs fall below a specified funding level); 3) Decreasing the income threshold for initial child care subsidy eligibility from 300% of the federal poverty level (FPL) to 250% FPL (this would reverse a policy change implemented in FY24 to expand child care subsidy program eligibility). OSSE will need to begin implementing these steps in FY25 to achieve subsidy cost savings in FY26. Because federal law prohibits removing children from the child care program within 12 months of finding them eligible to participate, any changes in policy to reduce or control costs need to be made well in advance of actually achieving savings.

Freezing Capital Quality designations will prevent future increases in, but will not reduce, program costs. The other two cost saving mechanisms—implementing a waitlist and lowering the income cut off to qualify for child care subsidies—only work by reducing the number of children served by the program. Without the requested \$12.9 million enhancement, OSSE will need to reduce average monthly child care subsidy program enrollment by a minimum of 600 children, or about 10% of monthly average enrollment; with the requested enhancement, OSSE will be able to serve more children in the program, but will still need to reduce enrollment by approximately 100 children/month to operate the program within the funds available.

Restoring \$12.9 million of the \$30 million reduction will reduce the magnitude of service reductions that OSSE needs to make in order to operate the program within the funds available.

Is this enhancement meant to sustain a project initiated with non-local funding (e.g. ARPA, federal grants, SPRs)?

If yes, please provide a rationale for why these non-local funds are no longer available:

No, the enhancement is meant to restore local and TANF funds that were supplanted with COVID relief funds. OSSE did expand access to child care subsidies by raising the income eligibility cut off to qualify for subsidies from 250% to 300% of the federal poverty level in FY24, but that change may need to be reversed even with this enhancement.

YES NO

How can this enhancement be scaled down to be accommodated within a constrained budget?*

Scaling can occur in FY 2026 or the out-years and can be based on fewer residents served, scaled back staffing, adjusted implementation timeline, etc. Please add a new row for each scaled down scenario and rank the scaled down options in order of agency preference.

Use the text box below the table to provide additional detail. If the enhancement cannot be scaled down, please indicate so in the textbox.

RANKING	Describe each proposed approach to scale down the enhancement request and explain the expected impact with each scenario	FY 2026	FY 2027	FY 2028	FY 2029
1	[scenario title]: [description and expected impact]	[enter \$]	[enter \$]	[enter \$]	[enter \$]
2	[scenario title]: [description and expected impact]	[enter \$]	[enter \$]	[enter \$]	[enter \$]

The potential budget shortfall facing the child care subsidy program in FY26 and the potential impact of cuts in services on DC families and child care providers is so large that OSSE will value any increase in child care subsidy funding to partially offset

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the impacts of past cuts. Each incremental \$1,000,000 invested in the program reduces the number of children who would be removed from the program by approximately 40 children ages 0-5, or 100 school aged children. Restoring \$16 million in local subsidy spending (up from \$12.9 million) would allow OSSE to avoid the need to implement a waiting list, increased income threshold for eligibility enrollment, or other enrollment reduction measures for FY26.

SECTION II. RATIONALE (continued) *Required for ALL requests*

QUESTIONS SPECIFIC TO ENHANCEMENT TYPE*

Mark the appropriate enhancement type and use the space below the table to answer the questions for that enhancement type.

IF YOUR ENHANCEMENT TYPE IS...	THEN ANSWER THESE QUESTIONS...
<input checked="" type="checkbox"/> A. Restore previous reduction or one-time funding	Why is the restoration of this reduction critical for the District at this time? What negative impact will result if this reduction is not restored? Please cite any relevant agency performance measures or other data that support your response.
<input type="checkbox"/> B. Increased cost to <u>maintain</u> existing activity	Why are costs increasing to maintain existing levels of service? What are the main cost drivers and what options have the agency already implemented or considered implementing to lower these costs? <i>Changes to the number of people served or the type of services provided should be categorized as a Type D request.</i>
<input type="checkbox"/> C. Operational improvement with a strong business case	How will this enhancement help the District save money in this or future fiscal years? How much will it save?
<input type="checkbox"/> D. Expand high-performing existing activity	Why is this program or activity considered to be high performing? How do the outputs or outcomes compare to those of similar programs within or outside of District government? Please cite any relevant agency performance measures or other data that support your response.
<input type="checkbox"/> E. Completely new activity with highly likely or proven positive outcomes	What will be the District's return on investment, as measured by how many and/or which District residents are served, or some other measure?

Responses to Questions*

From FY21-FY24, the total amount of funding provided for child care subsidies from the first two sources referenced above has decreased by approximately \$30 million (\$16 million from local funds and \$12.9 million from the DHS MOU). OSSE was able to absorb these reductions in funding for the child care subsidy program because enrollment in child care subsidies declined sharply during the COVID-19 pandemic, and because the District received a large infusion of COVID relief funds for child care, through additional CCDF appropriations included in the CARES, CRRSA, and ARPA Acts. But these COVID relief funds expired at the end of FY24. In FY23 and FY24, child care subsidy enrollment increased from the pandemic-induced low (and is now at over 75 percent of the pre-COVID high point), which, combined with increases in quality designations achieved by child care providers and the subset of federal COVID relief funds, has put increased fiscal pressure on the program.

Without the requested enhancement, OSSE will need to reduce child care subsidy program enrollment by at least 600 children per month by FY26, resulting in a roughly 10% reduction in monthly subsidy enrollment relative to FY24 (average monthly enrollment is lower than cumulative annual enrollment, because children move in and out of the program over the course of the year).

OSSE has two primary levers to achieve this service reduction: 1) Imposing a waiting list for child care subsidies (which would prevent new low-income working families/children from enrolling in the program until enrollment falls to such a level that projected costs are less than the funds available); 2) Reducing the income threshold for enrollment in the child care subsidy program from 300% to 250% of the federal poverty level (reducing a previous expansion in eligibility implemented in FY24).

Using either approach to achieve a 10 percent or more cut in subsidy enrollment would significantly impact access to child care subsidy program enrollment for DC families. This will in turn reduce the ability of low-income District residents to return to or remain in paid employment and achieve self-sufficiency, and conflicts with other District efforts to achieve these goals and reduce the "cliff effect" of income increases on benefit eligibility for low-income families. These changes particularly negatively impact low-income black women in Wards 7 and 8. They will also affect DCPS' efforts to make before and after

school programs more accessible to families at all DCPS schools. One of DCPS's approaches to achieve this goal is to encourage more OST providers operating on DCPS campuses to become licensed and able to accept child care subsidies; implementing a waitlist for subsidy enrollment will undermine these efforts by preventing new subsidy providers from enrolling children. DC has made significant investments to expand access to and improve quality of child care in the District over the past 10 years and specifically during the pandemic recovery. Our progress in these areas is reflected in our reporting to the City Administrator on the metrics "total number of licensed child development facilities meeting quality and high quality designations," which increased to 83% in FY24; "number of infant and toddler slots at licensed child development facilities," which has increased steadily to 11,990 in FY24; and "number of children subsidized in licensed child development facilities," which was approximately 7,700 in FY23 and will be directly negatively impacted by not funding this enhancement. The first two metrics will also be negatively impacted, as some child care providers that primarily enroll children that receive subsidies may go out of business because they will not be able to enroll new children receiving subsidies and will thus need to operate below full enrollment, which is not financially sustainable. These impacts could in turn affect access and quality of child care for a broader population of families seeking care, including some not eligible for child care subsidies.

Reduced access to quality child care for District families generally, combined with a lack of access to subsidies for low-income families, could negatively impact parental workforce participation or hours worked; tax revenues from parental employment; ability of low-income parents to move off of public assistance; ability of families to live in the Districts; and access to workers employers need, thus undermining the District's continued recovery from the COVID-19 pandemic

SECTION III. PERFORMANCE RATIONALE & IMPACT

Required for ALL requests

PERFORMANCE IMPACT

What data will the agency collect to understand the impact of this enhancement?*

Data may include measurements of the demand or need for programs over time, monitoring the quality and/or efficiency of programs, and/or assessing the impact of the enhancement on longer term goals. Please list specific data sources that will be collected and analyzed.

OSSE already tracks monthly and annual child care subsidy enrollment data and program expenditures; we will continue to track and report on licensed child care facility capacity. As part of the proposed cost control mechanisms OSSE will no longer update Capital Quality designations (e.g. “quality,” “high-quality”) for child care providers, so will no longer be able to report on this metric as part of our performance measures, but will still have access to raw quality observation data that could be used to track system wide average quality.

PERFORMANCE TEAM IS HERE TO HELP!

Need help thinking through this section or identifying data sources or performance measures? Reach out to your OBPM Performance Analyst or to Chief Performance Officer Lia Katz (lia.katz@dc.gov).

What challenges or risks does the agency anticipate related to this enhancement request? What mitigation or management strategies will the agency adopt to address those challenges?

The major challenges and risks we perceive come from not funding this request. In addition, there are significant challenges and risks associated with the cost control and reduction mechanisms (e.g. freezing Capital Quality designations, implementing a waitlist, lowering the subsidy eligibility income threshold from 300% to 250% over the federal poverty level) that OSSE will likely need to undertake whether or not this request is funded.

Will any performance measures currently in the agency's performance plan be impacted by this enhancement? What new measures will be added to understand the impact of the enhancement?*

- If you are proposing a new metric, write “NEW” in the columns for FY 2024 and FY 2025.
- Identify the “measure type: will the metric measure quantity; quality; efficiency; outcome; context; or is a District wide indicator of environmental trends.
- Please provide the previous year’s data and the current year’s target for the metric. Please also provide the anticipated targets for next year in the case that (a) the enhancement is funded and (b) the enhancement is not funded.

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Performance Measure	New for FY26?	Measure Type	Which direction is desired?	FY 2024 Actual	FY 2025 Target	Anticipated FY 2026 Target	
						With enhancement funding	Without enhancement funding
Total number of child development facilities meeting “quality” and “high-quality” designations	N	Outcome	Up	83%	83%	83%	83%
Number of infant and toddler slots at licensed child development facilities	No	Workload	Neutral	11,990	N/A	N/A	N/A
Number of children subsidized in licensed child development facilities	No	Workload	Neutral	6,699	N/A	N/A	6,000

SECTION IV. BUDGETING FOR RACIAL EQUITY

Required for ALL requests

Is one of the goals of this enhancement to reduce or eliminate a racial equity gap?*

YES NO

Which of the four goals in the District's [Racial Equity Action Plan \(REAP\)](#) or your agency specific REAP does this enhancement request advance?* Check all that apply.

- 1. Improving DC Government staff understanding and commitment to achieving racial equity** (e.g., training, capacity building, or use of racial equity tools)
- 2. Reducing or eliminating a known racial and ethnic inequity** (domains include housing, health, economic opportunity, safety, education, neighborhood life, and civic engagement)
- 3. Enhancing opportunities to meaningfully engage DC residents in decision-making processes and strengthening partnerships**
- 4. Improving DC government ability to be an equitable employer and engage in racially equitable hiring, promotion, and retention practices** (e.g., building pipelines with HBCU/HSI, staff development funds, or community of practice on hiring)

What racial inequity or REAP sub-goal(s) does this enhancement request address?*

For example, health disparity, educational gap, disproportionality in housing, bolstering existing community resources, etc. Please be as specific as possible. For REAP goals, please list the specific action (e.g. 1B, see District's REAP for supporting actions).

The median income of Black households in the District is \$52,000, which is less than half of the median income for all DC households. Educational, economic and social inequities particularly affect Black women and Black children growing up in single parent households headed by Black women. Lack of access to child care is a major barrier to economic mobility for Black women. The child care subsidy program addresses this barrier by helping to cover the costs of child care for children from low-income families in which the available parent(s) are working are enrolled in school, as well as categorically vulnerable children (e.g. those in foster care or experiencing homelessness). In addition, by supporting children's enrollment and attendance in high-quality early learning programs, child care subsidies support future educational success and economic mobility for children served. Child care subsidy enrollment is particularly concentrated in Wards 7 and 8, where nearly all child development facilities enroll children receiving child care subsidies, which constitute most or nearly all enrolled children in some programs. Changes to the subsidy program thus have an outsized economic impact on child care facilities located in Wards 7 and 8, due to their high enrollment of subsidized children and limited ability to recruit non-subsidized families in some communities. Capping or reducing child care subsidy program enrollments could undermine the financial viability of these child care programs, by preventing them from enrolling new subsidy eligible children, thus forcing them to operate below full enrollment in ways that are not financially sustainable for them, which could in turn lead to closure of child care businesses and loss of income for their owners and employees, who are primarily Black women.

What is the rationale for addressing the inequity in this way and/or with this program?*

For example, is the enhancement in response to a legislative requirement or mandate, community engagement efforts, demographic data, or something else?

Access to child care is important to help support the District's goals of supporting individuals to achieve economic self sufficiency. Expenditures on child care subsidies have a quintuple benefit, in that they support 1) ability of low-income parents to work or attend school, thus fostering economic self-sufficiency, 2) enrollment of children in quality early learning that prepares them to succeed in school, 3) ability of DC employers to recruit and retain workers due to access to child care, 4) ability of child care businesses to serve children receiving subsidies and remain in operation, 5) increased access to and quality of child care for non-subsidized families attending these programs. Over the past three years, OSSE has worked to improve the operational efficiency and customer experience of applicants for and participants in the child care subsidy program, and these efforts have been informed by extensive engagement with constituents and representatives of affected

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communities (e.g. parents, child care providers). Substantially reducing subsidy program enrollment due to reduced funding available would significantly undermine the positive impact of those efforts.

In what ways have you meaningfully involved internal and external stakeholders in the development of your agency's budget request, including staff and communities of color?* See ORE's [Meaningful Community Engagement Guide](#).

Over the past three years, OSSE has worked to improve the operational efficiency and customer experience of applicants for and participants in the child care subsidy program, and these efforts have been informed by extensive engagement with constituents and representatives of affected communities (e.g. parents, child care providers). Substantially reducing subsidy program enrollment due to reduced funding available would significantly undermine the positive impact of those efforts, which have received substantial positive feedback from constituents. OSSE has not consulted external stakeholder in the development of this specific enhancement request. Doing so would likely generate community concern about a potential reduction in services, which seems premature at this stage of budget development. **If this budget enhancement could potentially cause unintended benefits or burdens, please detail what racial or ethnic groups might be positively or negatively impacted.*** For example, the location for a new airport could disrupt traffic patterns and create noise and air pollution that impact residents in the immediate vicinity, which could worsen racial health inequities.

We do not believe that funding this enhancement will have potential unintended burdens, as it is intended to maintain and reduce the need for cuts to current services.

SECTION V. EVIDENCE-BASED BUDGETING

Required for Type D & E requests. Optional for Types A, B & C.

This section is required for all Type D and E enhancement requests that would expand existing activities or launch completely new activities. This section may be completed for Type A, B and C enhancement requests to be considered for an evidence rating.

If the activities described in this enhancement are successfully implemented, what outcome(s) will improve?* OBPM expects that it will be possible for agencies to identify for almost all enhancement requests a new performance measure (Section III of this form) that aligns with the outcome measures identified in the evidence provided. If this is not feasible, please explain below.

Click or tap here to enter text.

What evidence supports the likelihood that this enhancement will achieve the desired outcome?*

Please describe the quantitative studies or other measures that show the outcomes of similar efforts previously undertaken in the District or in other cities (see sidebar for what OBPM will look for to review enhancements as evidence-based or supported by preliminary evidence). Provide links to cite your sources, which may include formal evaluation studies, evidence standards, or evidence clearinghouses.

Click or tap here to enter text.

Which parts of your enhancement are identical to the model(s) the evidence comes from?*

As applicable, your answer should describe sameness in the target population, intervention, and availability of inputs/resources needed, etc.

Click or tap here to enter text.

Which parts of your enhancement are different from the model(s) evaluated in the studies linked?*

Explain why deviations are necessary for success in DC.

Click or tap here to enter text.

Are you building or planning to build evidence to support this enhancement using a formal program evaluation?*

YES NO

If yes, please describe or link below to the planned evaluation design, research question(s), and timeline for results.

Click or tap here to enter text.

THE LAB@DC TEAM IS HERE TO HELP!

Have questions about the evidence? Email the.lab@dc.gov (and CC your OBPM Budget Analyst). The Lab can pre-review evidence, brainstorm future evaluation ideas, offer suggestions on where to look for evidence, and help you think through the evidence you've found.

HELPFUL TIPS TO GET STARTED:

In general, evidence ratings follow the principles listed below; the quality of the evidence provided and how well it matches the enhancement may also affect the final evidence rating:

- Experimental studies (also called randomized evaluations or randomized control trials) that show that a program or intervention *caused* an outcome may receive a **STRONG/4-star** evidence rating
- Quasi-experimental studies that suggest that a program or intervention *caused* an outcome by comparing outcomes between the group receiving the enhancement and a very similar group that doesn't receive the enhancement may receive a **MODERATE/3-star** evidence rating
- Correlational studies with appropriate statistical controls may receive a **PROMISING/2-star** evidence rating
- Before-and-after comparison studies (also called pre-post comparison studies) may receive a **SOME/1-star** evidence rating

Consider the positive impact(s) this enhancement should have on District residents or government operations. These are the outcome(s) of the enhancement. Try searching [Google Scholar](#) or a similar database for relevant existing research. Government evidence clearinghouses (like [What Works Clearinghouse](#) for education and [CrimeSolutions](#) for public safety) are also good places to search according to specialized topics.

SECTION VI. PROJECT PLAN *Optional for All Requests*

This section is optional. However, it is recommended for Type D and E enhancement requests that would expand existing activities or launch completely new activities.

This project plan can be used to show how the agency will deliver the intended results before the end of the fiscal year. Complete as best you can, knowing the plan might evolve.

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.

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BUSINESS PARTNER COORDINATION

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

Department of Human Services, Level II child care providers

PROJECT TIMELINE

Describe below anticipated implementation milestones by quarter to show how the agency will deliver the intended results. Please identify specific months or dates, if known.

PREPARATION FOR PROJECT LAUNCH (before start of fiscal year)	
FY 2025 Q4	We have already begun making these preparations. We anticipate pausing Capital Quality designations and communicating the policy in Q2 of FY25, developing a proposal for a waiting list for child care subsidies and increased enrollment eligibility thresholds in Q1 and Q2 of Fy25, and implementing enrollment reduction/control strategies in Q3 of FY25.
FISCAL YEAR STARTS, FUNDS DISBURSED	
FY 2026 Q1	Funds are disbursed via monthly child care subsidy payments (October services in November; November services in December; December services in January)
FY 2026 Q2	Funds are disbursed via monthly child care subsidy payments (January services in February; February services in March; March services in April)
FY 2026 Q3	Funds are disbursed via monthly child care subsidy payments (April services in May; May services in June; June services in July)
FY 2026 Q4	Funds are disbursed via monthly child care subsidy payments (July services in August; August services in September; September services in October)