
Cost of Quality Care Rate Model

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Washington State Department of
CHILDREN, YOUTH & FAMILIES





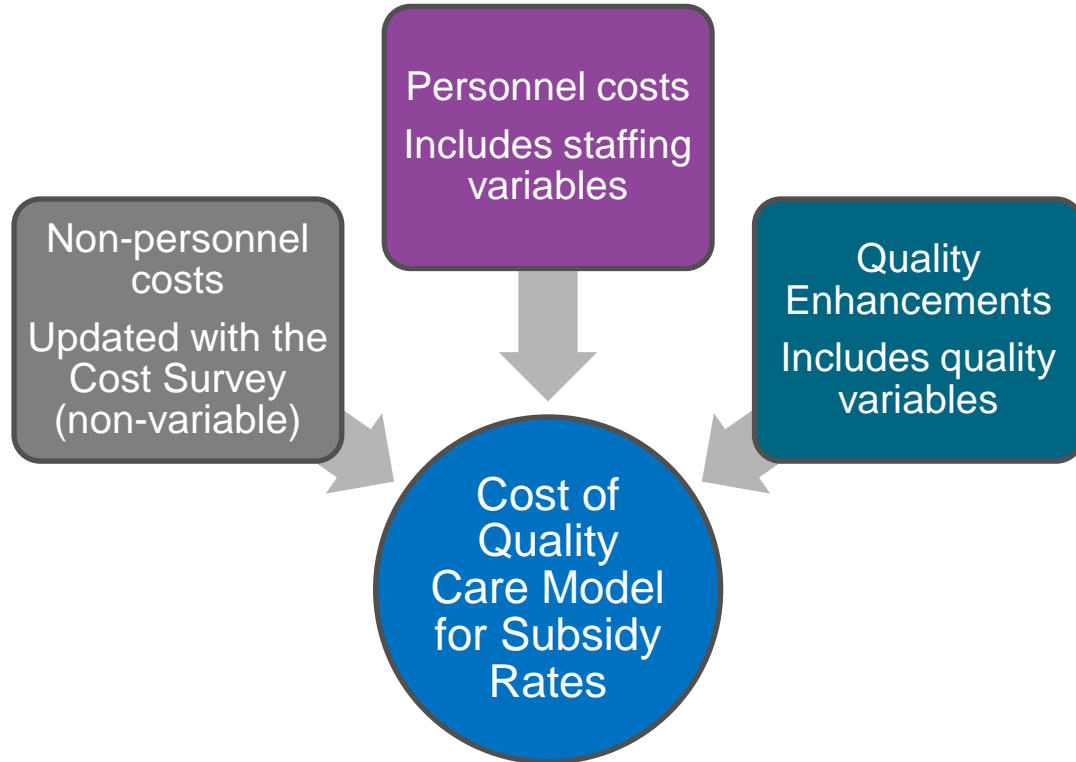
Today

- Update regarding Cost of Quality Care Rate Model work and recommendations

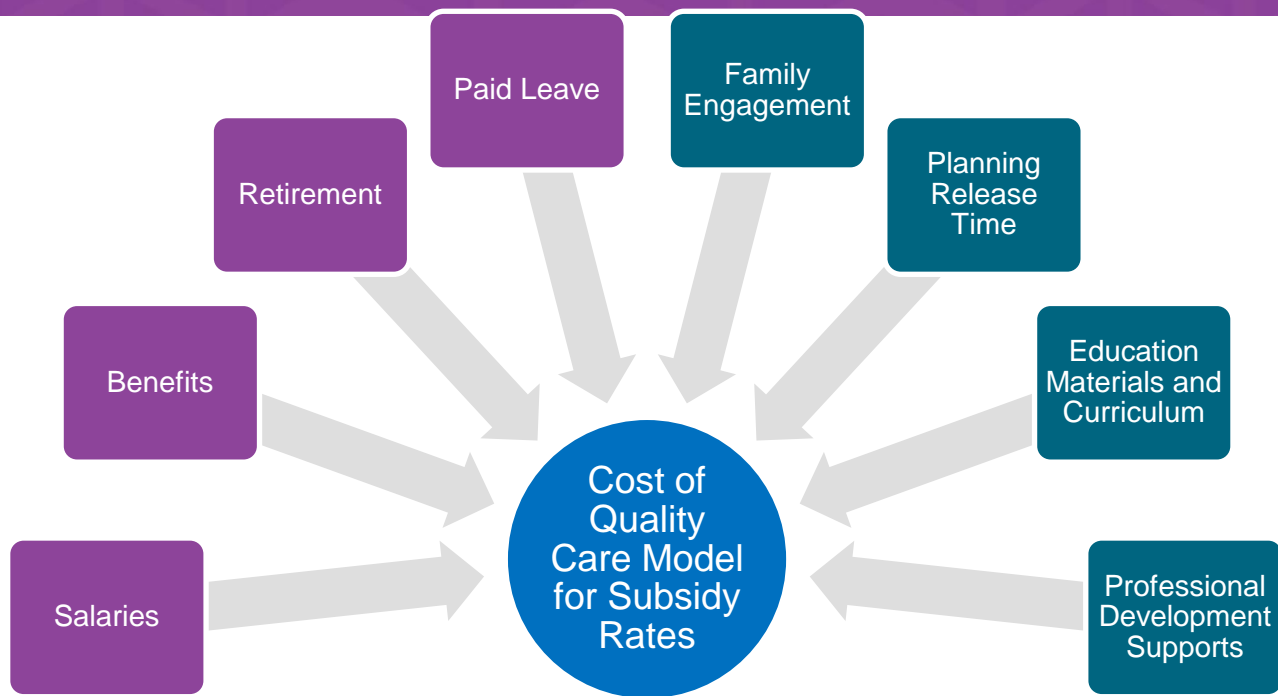
Background

- Child care is essential to Washington's economy, self-sufficiency, child outcomes
- Child Care Collaborative Task Force - stabilize child care, support continued economic recovery, pay providers based on the cost of quality care.
- Fair Start for Kids Act – 2021 – accessibility and affordability, Cost of Quality Care Model
- 2021-2023, 2023-2025 Collective Bargaining Agreement (CBA) with Service Employees International Union (SEIU) 925- Cost of Care rate enhancements.
- 2023 Early Educator Design Team – Cost of Quality Care recommendations
- 2025-2027: Cost of Quality Care, Working Connections Child Care (WCCC) Eligibility Expansion and Early Childhood Education and Assistance Program (ECEAP) Entitlement

Cost of Quality Care Calculator Categories

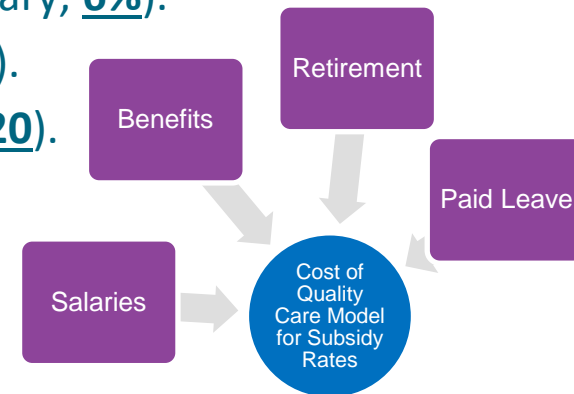


Cost of Quality Care Calculator Variables



Personnel Costs

- 5 Levers for personnel costs: (Design Team recommendation in **Bold**).
 - Salary (Current, ideal, Compensation Technical Work Group, **Massachusetts Institute of Technology (MIT) Cost of Living**, K12 parity).
 - Benefits (\$0, \$3k, \$6k, **\$9k** per employee per year).
 - Employer sponsored retirement (a percent of base salary, **6%**).
 - Paid sick says (any number per employee per year, **20**).
 - Paid leave days (any number per employee per year, **20**).



Early Educator Design Team

- DCYF has partnered with Child Care Aware of Washington's Early Educator Design Team to:
 - Develop variable recommendations that drive the costs used in the calculator.
 - Recommend new rate regions that better reflect cost of living.
- Consistent themes shared during the design team meetings include:
 - Providers must have a living wage and benefit package to attract and retain staff.
 - Providers deserve respect for the important work they do.

Personnel Costs Salary and Benefit Rationale

Design Team's Rationale Salary:

- Current low wages contribute to staff turnover and burnout which impacts availability of quality care.
- True Cost of Quality Child Care in Washington report also recommends adopting the MIT Living Wage Standard as the salary assumption for subsidy base rates.
- Using the MIT living wage scale aligns salary cost projections with real data about what constitutes a living wage across the state.
- The 2023 Budget Proviso requires DCYF to explore paying providers a living wage.
 - [Section 229 \(31\) of Senate Bill 5187](#)

Personnel Costs Salary and Benefit Rationale

Design Team's Rationale Salary:

- Adequate sick and vacation leave is essential to reduce burnout and retain staff. COVID-19 can result in significant sick time for staff.
- Retirement benefits are a critical component of early educator economic security.
- Many early educators lack essential health and life insurance due to cost. The assumed cost of \$9,000 per employee would be an improvement but even that may not reflect the true cost.

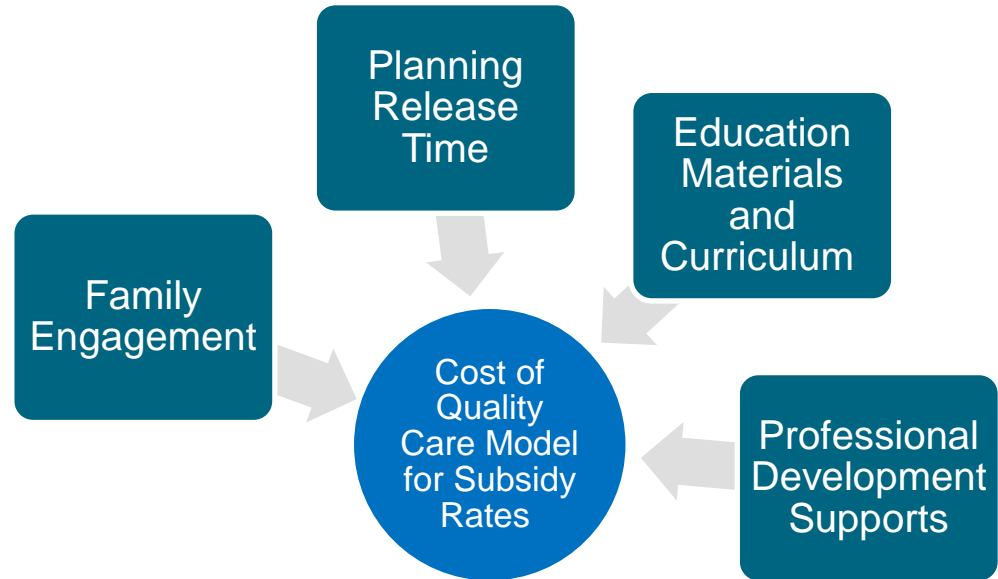
MIT Living Wage Table in the 2022 Cost Calculator

Table A4: MIT Living Wage salaries used in model

	Central WA	Eastern WA	King & Pierce	Northwest WA	Olympic Peninsula	Southwest WA
Program Director	\$85,245	\$86,041	\$106,257	\$96,248	\$91,075	\$90,857
Assistant Director	\$70,451	\$71,108	\$87,816	\$79,544	\$75,268	\$75,088
Admin Assistant	\$44,420	\$44,835	\$55,369	\$50,154	\$47,458	\$47,344
Lead Teacher	\$57,746	\$58,286	\$71,980	\$65,200	\$61,695	\$61,548
Assistant Teacher	\$44,420	\$44,835	\$55,369	\$50,154	\$47,458	\$47,344
Aide/Floater	\$44,420	\$44,835	\$55,369	\$50,154	\$47,458	\$47,344
FCC Provider/Owner	\$73,702	\$75,164	\$91,695	\$84,133	\$78,881	\$78,995
FCC Assistant Teacher	\$44,420	\$44,835	\$55,369	\$50,154	\$47,458	\$47,344

Quality Enhancements

- There are 4 levers for quality enhancements with the bulk of the costs coming by way of increased staffing to cover time dedicated to the activities.



Quality Enhancements

- 4 Levers for Quality Enhancements (Design Team recommendations in **Bold**)
 - Training and professional development hours per year (10 hours, 15 hours, **20 hours.**)
 - Educational materials (\$0, \$50 per child/year, \$75 per child/year, **\$100 per child/year.**)
 - Family engagement (1 conference, 2 conferences, 3 conferences, **3 conferences and staffing for family engagement specialist**)
 - Floater staff to support classroom needs - Planning release time –
 - Centers: (0 hours, 8 hours, **16 hours,** 24 hours)
 - Homes: (0 hours, **part-time assistant,** full-time assistant)

Quality Enhancements Rationale

Design team rationale:

- Early educator professional development activities support skills/engagement with the professional community.
- Quality child assessment tools and curriculum support high quality care and effective family engagement.
- Conducting family conferences can push teachers into overtime. We need staff capacity to support release time for conferences.
- Family engagement is an important component of high-quality care and we want to do more. A dedicated family engagement specialist would allow programs to engage with families more deeply
- Planning time supports high quality care but current resource limits mean this often happens off the clock.

How would this impact rates?

- Most recent data is from 2022 and is being refreshed
- 2022 data bases geography on Child Care Aware regions
- Once DCYF has current data we will determine costs of these recommendations
- Rough estimates indicate a rate increase 65% above current rates

Recommended Rate Regions

- The Early Educator Design Team recommends using a State Cost of Living Index (COLI) by county to create 6 rate regions lumped by COLI
- Western Washington University (WWU) provides the COLI data
- Area Median Income and Urban/Suburban designations do not correlate with COLI
- See county chart - [County Grouping Options COLI with potential groupings](#)

Sample Rate Grouping Map



COLI Value of 100 is state average, below 100 means cost of living in that area is less than average, above 100 means cost of living in that area is higher.

County Group "A" (COLI of 138.8) (King)

County Group "B" (COLI of 130.9) (Snohomish)

County Group "C" (COLI range of 110.9-118.7) (Lavender)

County Group "D" (COLI range of 103.6-109.8) (Purple)

County Group "E" (COLI range of 92.9-99.3) (Green)

County Group "F" (COLI range of 86.9-92.1) (Grey)

What is Next?

- Western Washington University completes the Cost of Quality Care Rate Study and updates the Cost of Quality Care Calculators.
- DCYF develops a Decision Package based on the new Cost of Quality Care data for the 2025 Session.

DISCUSSION

