Cost Modeling
Results in Washington State

Juliet Morrison
• **Tiered Reimbursement**: Washington used the cost model and data to inform suggested percentages for Tiered Reimbursement strategy tied to TQRIS, Early Achievers

• **Legislative Task Force 5595**: In 2012, task force convened to make recommendations on Tiered Reimbursement and subsidy system

• **Mandatory Subject of Bargaining**: Tiered Reimbursement and any economic incentive tied to TQRIS is subject to bargaining per the collective bargaining agreement

• **Use of Provider Data**: Cost model included actual costs of doing business from both family child care and child care centers participating at various levels in Early Achievers
Key Lessons Learned

• Data confirming Iron Triangle: It was surprising to some that the base rate was sufficient for lower quality programs but those rated a Level 3-5 were not financially sustainable

• Target Audience: Legislators, Task Force, Family Child Care Union, Early Learning Providers participating in Early Achievers

• Use of Data:
  – Influenced final task force recommendations
  – Used in bargaining to set final rates
  – Used to set percentages in Tiered Reimbursement for Levels 3-5
Average Home Net Annual Revenue by Level with 8 or 12 children, 100% WCCC revenue, no private tuition revenue, ages infants through school-age, 85% efficiency
Average Size Center (72 children), 100% WCCC revenue, no private tuition revenue
Net annual revenue per child by Level, ages infants through school age, 85% efficiency