



Washington State Department of  
**Early Learning**

# Cost Modeling Results in Washington State



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# Context Setting

- **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**

