

## Response to Questions on the FY 2015 Budget

**Request By:** Multiple Supervisors

**Question:** Please provide an update on SACC parent fees, the sliding fee scale and capacity issues.

**Response:** In response to the Board of Supervisors discussion of School-Age Child Care (SACC) fees during the March 25, 2014 Board meeting, the following is being provided as an update to the issues raised as part of that discussion. As the Board is aware, SACC supports working families and helps children to thrive by providing out-of-school time programs for children in kindergarten through sixth grade, as well as older children with multiple disabilities. In the fall of 1974, SACC programs opened their doors to children and families in eight FCPS elementary schools, serving 160 children daily. Today, SACC is available throughout the County in 137 schools and one recreation center and serves approximately 10,000 children daily. Hallmarks of SACC include the dedicated and qualified workforce, educational and innovative programming, and a commitment to provide subsidized child care to families with low-incomes and children with special needs.

SACC program staff has worked consistently in recent years to modify the program based on the Board's priorities and community needs while at the same time preserving the integrity of the program. For example, in FY 2010, in an effort to address the waiting list, staff identified efficiencies and were able to add 400 new slots to the after school program. Additionally, beginning in FY 2014, the SACC program began implementing a new staffing model which utilizes a combination of merit and benefits-eligible employees, rather than a traditional merit only model. Based on the questions raised by the Board, staff has been instructed to work with the SACC Parent Advisory Council and the Child Care Advisory Council to develop a formal report with recommendations for setting parent fees and cost recovery and amending the sliding fee scale, as well as addressing capacity issues. Staff routinely coordinates with these advisory groups on policy issues and any changes to the rate structure and/or sliding fee scale should incorporate this step in an effort to include all stakeholders in the process of identifying options and recommendations. Any change to rate structure and/or sliding fee scale needs to correspond to the beginning of the school year. It is not anticipated that a review of this magnitude can be completed prior to the start of the 2014-2015 school year. In an effort to inform and give all participants the opportunity to comment, it is anticipated that recommendations will be implemented in FY 2016, if not sooner. Given the potential significance of the changes, this will allow all stakeholders to participate in the process prior to implementation. Staff will provide regular updates at Human Services Committee meetings and will facilitate Board discussion and decisions on how best to move forward. An outline will be presented at the May 6, 2014 Human Services Committee meeting. The report will specifically address the following issues:

- Rate Structure

SACC fees are collected from parents as payment for child care services. SACC fees are established based on the cost of the program, reviewed annually and are typically adjusted based on increased program costs (primarily driven by annual compensation increases to employees). Families with an adjusted household income of less than

\$52,000 are eligible to pay on a sliding fee scale; therefore, SACC parent fees are estimated to cover approximately 80 percent of SACC program costs.

In recent years, in an effort to address the budget shortfall, fees have been increased based on a flat percentage. Over the past five fiscal years, fees have increased nearly 24 percent. The FY 2015 Advertised Budget Plan includes a proposed fee increase of 1.3 percent which is consistent with the proposed compensation increases for employees. This means a parent paying full fee will be charged \$344 per month for the SACC after-school program in FY 2015. This is nearly a 25 percent increase since FY 2009. Specifically, staff will review the factors that are included when setting the fees; analyze and compare market rates, rate structure, and program design of other jurisdictions as well as private providers; and explore a higher rate of cost recovery.

- Sliding Fee Scale

As mentioned earlier, the SACC program provides a sliding fee scale to support income eligible families' participation in the program. Currently, families with an adjusted household income of less than \$52,000 are eligible to pay on a sliding fee scale. This income eligibility limit is approximately 50 percent of the County median income and approximately 250 percent of the federal poverty level. There are many variations to the sliding fee scale that can be considered. These will be considered as part of the comprehensive review and will be included in the recommendations presented to the Board. However, as a point of reference and assuming no adjustments have been made to the sliding fee scale, should the Board wish to achieve full cost recovery, estimated to be \$9.0 million in FY 2015, and only adjusting fees for the full paying parents, in FY 2015, a parent paying the full fee will be charged \$449 per month for the SACC after-school program. This would be a 32 percent increase over the FY 2014 rate and a 63 percent increase since FY 2009. Please note, this recovery rate is predicated upon the current number of families paying full fee.

- Capacity

SACC was designed to be one component of child care in the community and to complement center- and home-based child care options. The network of child care around the County is different from neighborhood to neighborhood. Similarly, the waiting list for SACC fluctuates across the County. Nearly 75 percent of SACC centers have fewer than 30 children on the waiting list for services; 5 SACC centers have very large waiting lists with 91 to 135 families requesting care. Though demand remains consistent, anecdotal information indicates that families on the SACC waiting list often have alternate arrangements in place and choose to remain on the waitlist for future placements.

**SACC Waiting List (as of February 2014)**

<b>Number of Children on Waitlist</b>	<b>Number of Centers</b>	<b>Percentage</b>
0	47	34.1%
1-30	56	40.6%
31-60	20	14.5%
61-90	10	7.2%
91-135	5	3.6%

In neighborhoods where the supply of child care options do not meet the full needs of the community, SACC has worked with community groups and child care providers to support their capacity to meet the child care needs of working families. Additionally, SACC continues to explore and identify opportunities to increase the availability of SACC services utilizing the redesigned staffing model incorporating a combination of merit and benefits eligible employees throughout the program, thereby recognizing cost efficiencies.

Staff will provide additional information as it relates to program capacity, where the longest waiting lists are located, what the primary drivers are for those waiting lists, and potential ways the waiting lists can be addressed.