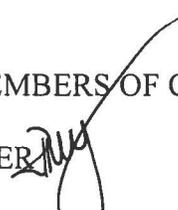


City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 2, 2013

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: RASHAD M. YOUNG, CITY MANAGER 

FROM: NELSIE SMITH, DIRECTOR, MANAGEMENT AND BUDGET 

SUBJECT: BUDGET MEMO # 36: CHILD DAY CARE FEE SYSTEM CLARIFICATION

The City Council Preliminary Add/Delete list includes an expenditure increase of roughly \$1 million dollars to eliminate the Child Day Care Fee System waiting list. Recently, City staff learned that there is some confusion over what this additional expense will achieve and how it relates to Pre-K services. This memo is being provided in order to resolve the confusion and briefly discuss the state of Pre-K services in the City of Alexandria.

CHILD DAY CARE FEE SYSTEM –

The Child Day Care Fee System (Fee System) provides a child care subsidy to income eligible families to help them maintain their employment, complete their education or get job training. This program attempts to accomplish this by providing a subsidy for child care to the families. Parents can use these funds to purchase Child Care services in any legally operating program, including child care centers family child care homes and afterschool programs. This program serves children from age 0 to 13 and older if they have special needs. Families utilizing this program are required to pay a portion of the total cost of day care services. A mix of federal and state dollars covers the remaining cost. If additional local funding is provided, DCHS will establish a parallel but separate program using a local payment system. This approach is required because there is no way to upload local funding into the State system.

Children currently on the Child Care Fee System Waiting List by Age*

* Age equals how old the child will be on September 30

0 yrs-old	27
1 yrs-old	72
2 yrs-old	71
3 yrs-old	64
4 yrs-old	42
5 yrs-old	30
6 yrs-old	21
7 yrs-old	19
8 yrs-old	24

9 yrs-old	10
10 yrs-old	12
11 yrs-old	4
12 yrs-old	3
13 yrs-old	0
Total	399

As described in Budget Memo # 9, there are 318 families currently on the waiting list and those families have 399 children (shown in the table above). However, based on previous years' experience, when families are given the opportunity to apply for services, only 50% will complete the application. Of that 50%, roughly 70% will be eligible. Additionally, the waiting list is not closed and is likely to continue to grow.

Based on the formula described above, we are estimating there will be 167 children, ranging in age from 0 – 13 years old, on the waiting list. The addition of \$1,065,641 ($(\$5,394 * 167 = \$900,798) + \$164,843$ for two additional staff), as reflected in the Preliminary Add/Delete spreadsheet, will allow the City to clear all 167 children from the waiting list, and thus allow more families the opportunity to maintain their employment, complete their education or get job training. The average cost per child in this program is \$5,394.

PRE-K SERVICES –

In FY 2012, City Council added a total of \$450,000 to address the Pre-K waiting list. Of this total, \$253,008 was given to DCHS to provide scholarships to 4-year-olds on the Fee System waiting list. These scholarships are designed to incentivize parents to enroll their child/children in Pre-K services by paying the family's portion of the fee. With the scholarship funding DCHS has been able to serve an additional 36, 4-year-olds per year. The remaining \$196,992 was given to ACPS to address capacity issues by adding another Pre-K classroom. In FY 2013, City Council gave an additional \$125,067 to ACPS to add another classroom.

Presently, we know that between ACPS and our community partners we will add three additional classrooms for VPI eligible children, which will eliminate the Pre-K waiting list for VPI eligible children. Additionally, we know there is a Head Start waiting list of 200, 3 and 4-year-olds (72 are 4-year-olds). The Head Start wait list exists because of capacity related issues. The cost of adding an additional Head Start classroom, serving roughly 20 children, is approximately \$200,000. Children on the various waiting lists (Head Start, Fee System and VPI) may or may not be duplicated children. Finally, it needs to be noted that there is an unknown number of 3 and 4-year-old children whose parents, for unknown reasons, are not engaging their children in Pre-K services or registering them on a wait list. Because these parents are not engaging with the available systems it is impossible to know exactly how many 3 and 4-year-olds in the City are not receiving Pre-K or other early childhood education services.