

Possible Quality First Programmatic Approaches for FY16

Approach		Description	Baseline Number of Scholarships				Baseline Funding for Scholarships (millions)				Percent of Region's Allocation Available for Other Allotment	Impacts
			FY15	16	17	18	FY15	16	17	18		
A	Maintain QF enrollment with no changes to current model	<ul style="list-style-type: none"> No changes to number of participating providers and scholarship funding levels. 	6198	6703	6824	6621	\$47.2	\$58.2	\$59.3	\$57.7	> 75% 5 50% to 75% 8 26% to 49% 5 10% to 25% 5 < 10% 5 Region Total 28	<ul style="list-style-type: none"> Scholarships distributed only to providers at 3-5 star levels # of scholarships per provider will increase, and although still higher than FY15 levels, the #s will decrease over time due to expansion of providers in the 3-5 star pool Small centers will receive fewer scholarships in FY17 and 18 than in FY15
B	Reduce total number of QF Scholarships	<ul style="list-style-type: none"> Lower baseline number of scholarships by 33%. No reduction to number of providers. 	6198	4531	4569	4556	\$47.2	\$39.3	\$39.8	\$39.6		<ul style="list-style-type: none"> Total # of scholarships is decreased, but 3-5 star providers will receive more scholarships in FY16 than in FY15, and then equal to or slightly fewer scholarships in FY17-18 than in FY15 Cost savings of about \$20 million annually Approximately 1650 fewer scholarships available overall; access for low-income families is decreased
C	Reduce total number and reimbursement amount of QF Scholarships	<ul style="list-style-type: none"> Lower baseline number of scholarships by 33%. Lower overall scholarship reimbursement rates by 5%. No reduction to number of providers. 	6198	4531	4569	4556	\$47.2	\$37.4	\$37.8	\$37.6	> 75% 5 50% to 75% 12 26% to 49% 8 10% to 25% 3 < 10% 0 Region Total 28	<ul style="list-style-type: none"> Same impact as above Rate reduction of 5% results in minimal additional cost savings of \$2.3 million
D	Separate QF improvement model costs from scholarship costs	<ul style="list-style-type: none"> Separate improvement model costs from scholarship costs. Lower overall scholarship reimbursement rates by 5%. No further guidance on number of regional scholarships funded. No reduction to number of providers. 	Not able to determine				None				> 75% 16 50% to 75% 12 26% to 49% 0 10% to 25% 0 < 10% 0 Region Total 28	<ul style="list-style-type: none"> Provides flexibility for Regional Council funding decisions Creates uncertainty for providers and families May decrease access for low-income families Quality providers may voluntarily dis-enroll from QF due to decrease in financial incentives and revenue support due to fewer scholarships Voluntary decrease in participating quality providers may destabilize QF system May decrease regulated providers in early childhood system
E	No guidance is provided	<ul style="list-style-type: none"> No guidance on system-level investments in Quality First. Regional Councils choose level of investment or disinvestment in Quality First – including number of participating providers and scholarship funding levels. 	Not able to determine				None				N/A	<ul style="list-style-type: none"> Same impacts as above