

Multiple Agency Fiscal Note Summary

Bill Number: 2964 2S HB	Title: Department of early learning
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Estimated Cash Receipts

Agency Name	2005-07		2007-09		2009-11	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of Administrative Hearings	Non-zero but indeterminate cost. Please see discussion."					
Department of Social and Health Services	0	(180,000)	0	(360,000)	0	(360,000)
Total \$	0	(180,000)	0	(360,000)	0	(360,000)

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2005-07			2007-09			2009-11		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Community, Trade, and Economic Development	(6.7)	(29,530,636)	(29,530,636)	(13.5)	(59,882,000)	(59,882,000)	(13.5)	(59,882,000)	(59,882,000)
Office of Financial Management	92.8	30,779,873	30,959,873	184.5	61,795,224	62,155,224	184.5	61,795,224	62,155,224
Office of Administrative Hearings	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Washington State Patrol	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	(82.5)	0	(180,000)	(165.0)	0	(360,000)	(165.0)	0	(360,000)
Superintendent of Public Instruction	.0	(125,000)	(125,000)	.0	0	0	.0	0	0
Total	3.6	\$1,124,237	\$1,124,237	6.0	\$1,913,224	\$1,913,224	6.0	\$1,913,224	\$1,913,224

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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Prepared by: Mike Woods, OFM	Phone: 360-902-9819	Date Published: Final 2/17/2006
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 13989

Individual State Agency Fiscal Note

Bill Number: 2964 2S HB	Title: Department of early learning	Agency: 103-Community, Trade & Economic Develop
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	0.0	(13.5)	(6.7)	(13.5)	(13.5)
Fund					
General Fund-State 001-1	0	(29,530,636)	(29,530,636)	(59,882,000)	(59,882,000)
Total \$	0	(29,530,636)	(29,530,636)	(59,882,000)	(59,882,000)

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/12/2006
Agency Preparation: Lynne Shanafelt	Phone: (360) 725-2829	Date: 02/14/2006
Agency Approval: Marijo Olson	Phone: 360-725-2910	Date: 02/14/2006
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 02/16/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This 2S HB 2964 differs from the original bill as follows:

Section 209 - where it changes the meaning of the department from CTED to the Department of Early Learning is now Section 210.

Section 203 –

The Department of Early Learning will have a employer liaison position established to be co-located in the Department of Community, Trade and Economic Development (CTED)

Section 209 –

Changes RCW 28A.215.110 and 1999 c 350 s 1 are amended to change the meaning of department from CTED to the Department of Early Learning.

Section 501 –

All of CTED's current powers, duties and functions for Early Childhood Education Assistance Program (ECEAP) are transferred to the Department of Early Learning upon implementation of this measure.

Section 502 –

All reports, documents, surveys, books, records, files, papers, written materials, cabinets, furniture, office equipment, and other tangible property maintained by CTED shall be made available to the Department.

Section 503 –

Any appropriations made to CTED on the effective date of this section, will be transferred and credited to the Department.

Section 504 –

All employees of CTED engaged in performing the powers, functions, and duties are transferred to the Department. All employees classified under state civil service law are assigned to perform their usual duties.

Section 505 –

All contracts with program providers will stay in effect.
All existing contracts and obligations will remain in force.
If apportionments of budgeted funds are required because of the transfers, the state auditor and the state treasurer will make the appropriated transfer adjustments in funds and appropriation accounts and equipment records in accordance with the certification.
Existing interagency agreements will transfer from CTED to the Department.
IAG - for ECEAP from the Department of Social and Health Services (DSHS) - \$5,141,990 per year.
IAG – for Basic Food Nutrition Education Program (BFNEP) for ECEAP from the Department of Health - \$336,095 per year.

Section 604 –

The funding will transfer effective July 1, 2006.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

None

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 505 -

CTED makes the following assumptions for this section of the fiscal note:

- Maintenance of Effort (MOE) of the Early Childhood Education Assistance Program (ECEAP) allotment and FTE's will continue at the 05-07 Enacted Budget level.
- The interagency agreement (IAG) with the Deptment of Social and Health Services (DSHS) for ECEAP will transfer from CTED to the Department of Early Learning.
- The IAG with Department of Health (DOH) for reimbursement of the Basic Food Nutrition Education Program (BFNEP) for ECEAP will transfer from CTED to the Department of Early Learning.
- The Department of Early Learning is responsible for all moving costs.
- ECEAP program FTE's total 13.45 for FY 07. Of the total, .45 is division administrative staff that support ECEAP directly and are as follows:
 - .10 FTE Communications Consultant 3
 - .35 Budget Analyst 3

Senate Bill 6386 Section 119 (24) includes funding for FY 07 to mitigate impacts associated with transfer of the ECEAP program.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years		(13.5)	(6.7)	(13.5)	(13.5)
A-Salaries and Wages		(705,793)	(705,793)	(1,411,586)	(1,411,586)
B-Employee Benefits		(191,402)	(191,402)	(382,804)	(382,804)
C-Personal Service Contracts					
E-Goods and Services		(404,693)	(404,693)	(1,623,114)	(1,623,114)
G-Travel		(68,450)	(68,450)	(136,900)	(136,900)
J-Capital Outlays		(3,000)	(3,000)	(13,000)	(13,000)
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		(33,635,383)	(33,635,383)	(67,270,766)	(67,270,766)
P-Debt Service					
S-Interagency Reimbursements		5,478,085	5,478,085	10,956,170	10,956,170
T-Intra-Agency Reimbursements					
Total:	\$0	\$(29,530,636)	\$(29,530,636)	(\$59,882,000)	\$(59,882,000)

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2006	FY 2007	2005-07	2007-09	2009-11
Budget Analyst 3	51,780		(0.4)	(0.2)	(0.4)	(0.4)
Budget Analyst 4	60,036				(0.1)	(0.1)
Communication Consultant 3	45,036		(0.1)	(0.1)	(0.1)	(0.1)
CTED Specialist 1	44,782		(2.0)	(1.0)	(2.0)	(2.0)
CTED Specialist 2	51,780		(5.0)	(2.5)	(5.0)	(5.0)
CTED Specialist 3	60,036		(3.0)	(1.5)	(3.0)	(3.0)
Information Technology 4	60,036		(1.0)	(0.5)	(1.0)	(1.0)
Sec Admin	37,545		(1.0)	(0.5)	(1.0)	(1.0)
WMS Band 2	72,948		(1.0)	(0.5)	(1.0)	(1.0)
Total FTE's			(13.5)	(6.7)	(13.5)	(13.5)

III. C - Expenditures By Program (optional)

Program	FY 2006	FY 2007	2005-07	2007-09	2009-11
ECEAP Program Admin (300)		(29,530,636)	(29,530,636)	(59,882,000)	(59,882,000)
Total \$		(29,530,636)	(29,530,636)	(59,882,000)	(59,882,000)

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 209 changes RCW 28A.215.110 and 1999 c 350 s 1 are amended to change the meaning of department from CTED to the Department of Early Learning.

Individual State Agency Fiscal Note

Bill Number: 2964 2S HB	Title: Department of early learning	Agency: 105-Office of Financial Management
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

		FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years		1.0	184.5	92.8	184.5	184.5
Fund						
General Fund-State 001-1		167,625	30,612,248	30,779,873	61,795,224	61,795,224
General Fund-Federal 001-2		0	180,000	180,000	360,000	360,000
Total \$		167,625	30,792,248	30,959,873	62,155,224	62,155,224

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/12/2006
Agency Preparation: Heather Moss	Phone: 360-902-0659	Date: 02/14/2006
Agency Approval: Aaron Butcher	Phone: 360-902-0406	Date: 02/14/2006
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 02/14/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Creates a new cabinet-level state agency with responsibilities for several early childhood programs transferred from DSHS, CTED, and OSPI. A minimal agency infrastructure is created to administer these programs and to further the goal of improved early learning opportunities in Washington State. The bill has six parts:

Part 1: Department of Early Learning (Department) Created

Establishes the Department as a cabinet-level department with a director who is appointed by and serves at the pleasure of the Governor. Includes purposes, definitions, duties, and authorities for the Department. Sec. 108 requires the director’s involvement in the creation of a non-governmental public-private partnership.

Part 2: Policies and Programs Transferred

Substitutes “Department of Early Learning” in existing statutes, including: state employee child care, state policy on child care, the employer liaison, the Child Care Resource and Referral Network, the Child Care Career and Wage Ladder, the tiered reimbursement pilots, and the Early Childhood Education and Assistance Program (ECEAP). No new state government programs are created.

Part 3: Department of Early Learning Licensing

Transfers existing child day care licensing responsibilities from the Department of Social and Health Services (DSHS) to the new Department.

Part 4: Department of Social and Health Services Licensing Revisions

Revises the licensing statute (RCW 74.15) to reflect the responsibilities that remain in DSHS. Existing licensing functions are transferred to the new Department; no new licensing authority is created.

Part 5: Transfer of Powers, Duties, and Functions

Describes the powers, duties, and functions that transfer to the Department, including ECEAP, the Early Reading Initiative, Working Connections Child Care (except eligibility and payment functions), licensing, quality activities, and the Head Start-State Collaboration Office. Except for DSHS, appropriations and staff associated with these programs transfer to the Department. Appropriations for the programs transferred from DSHS will be transferred to the new Department through an interagency agreement.

In collaboration with the Early Learning Council, the Department will make recommendations by November 15, 2006, regarding: coordination and collaboration with K-12 and other programs at state and local levels; ways the Department will encourage local community public-private partnerships; the relationship between the Department and the statewide public-private partnership; internal departmental governance; and transition of any additional programs and responsibilities to the Department.

Part 6: Miscellaneous Provisions

Recodifications. Establishes a July 1, 2006 effective date.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

It is assumed that all revenues received by the federal Child Care Development Fund will be transferred via interagency agreement from the Department of Social and Health Services (DSHS) to the newly created Department of Early Learning (DEL).

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

It is assumed that the current Early Childhood Education and Assistance Program (ECEAP), Head Start State Collaboration Office, Early Reading Initiative, and Working Connections Child Care (WCCC) will be transferred to the new department. All FTEs and program authority will transfer to the new department. All programs will maintain their current level of funding, and all funding, with the exception of federal Child Care Development Fund (CCDF) money, will transfer to the new department. CCDF funds will go to the new department from the Department of Social and Health Services (DSHS) via interagency agreement. The interagency agreement transfer will provide approximately \$286 million in FY07 for WCCC, child care licensing, and child care quality activities.

Start-up Costs

Costs identified in FY2006 are one-time costs to facilitate the transition and set up of the new department, as follows:

Transition Project Manager (salary plus benefits)	\$102,285
IT, moving, new space setup (@ \$1200 per FTE for ECEAP and new staff)	\$23,340
Furniture, computers, office equipment, etc. (@ \$7,000 per new FTE)	\$42,000
Total	\$167,625

New Ongoing Costs

New costs identified beginning in FY2007 will be ongoing costs, as follows:

Staff (6 FTEs)	\$434,170
Benefits (@0.25%)	\$108,542
G&S, Consumables, Lease Costs	\$427,900
SmartBuy Reduction	(\$14,000)
Total	\$956,612

Agency Backfill

The Governor's proposed 2006 Supplemental also includes a one-time appropriation of \$410,000 GF-S to the Department of Community, Trade, and Economic Development (CTED) to fund the ongoing administrative costs incurred at CTED. It is anticipated that CTED will realize administrative reductions for the 2007-09 biennium to reflect the loss of ECEAP and other programs from its operations. Additional backfill to support the administrative functions at DSHS will be negotiated and determined in the interagency transfer of CCDF funds from DSHS to DEL for FY07 only.

NOTE: The 2SHB 2964 does not have additional fiscal impacts beyond what was indicated in the original fiscal note prepared for HB 2964. However, OFM staff did take this opportunity to correct a calculation for the next biennia (2007-09 and 2009-11) that was inadvertently low. The totals shown in the text above remain correct, and with this correction to the fiscal note tables, the totals on the fiscal note match them.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	1.0	184.5	92.8	184.5	184.5
A-Salaries and Wages	81,828	1,139,963	1,221,791	2,279,926	2,279,926
B-Employee Benefits	20,457	299,944	320,401	599,888	599,888
C-Personal Service Contracts					
E-Goods and Services	23,340	582,693	606,033	1,979,114	1,979,114
G-Travel		92,450	92,450	184,900	184,900
J-Capital Outlays	42,000	133,000	175,000	273,000	273,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		33,815,383	33,815,383	67,630,766	67,630,766
P-Debt Service					
S-Interagency Reimbursements		(5,271,185)	(5,271,185)	(10,792,370)	(10,792,370)
T-Intra-Agency Reimbursements					
Total:	\$167,625	\$30,792,248	\$30,959,873	\$62,155,224	\$62,155,224

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2006	FY 2007	2005-07	2007-09	2009-11
Department Secretary	115,000		1.0	0.5	1.0	1.0
Financial Analyst 1	33,882		1.0	0.5	1.0	1.0
Financial Manager	67,820		1.0	0.5	1.0	1.0
Human Resource Manager	67,820		1.0	0.5	1.0	1.0
Information Technology Manager	67,820		1.0	0.5	1.0	1.0
Operations Assistant Director	81,828		1.0	0.5	1.0	1.0
Transferred from Other Agencies	52,280		178.5	89.3	178.5	178.5
Transition Project Manager	81,828	1.0		0.5		
Total FTE's		1.0	184.5	92.8	184.5	184.5

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

The new department would need to revise existing rules into new chapters of their Administrative Code. There is no additional cost for this limited rulemaking effort.

Individual State Agency Fiscal Note

Bill Number: 2964 2S HB	Title: Department of early learning	Agency: 110-Office of Administrative Hearings
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/12/2006
Agency Preparation: Art Wang	Phone: 360-664-2031	Date: 02/13/2006
Agency Approval: Art Wang	Phone: 360-664-2031	Date: 02/13/2006
OFM Review: Deborah Feinstein	Phone: 360-902-0614	Date: 02/14/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

2SHB 2964 creates the Department of Early Learning (DEL). It transfers functions primarily from the Office of the Superintendent of Public Instruction, Department of Community, Trade, and Economic Development, and Department of Social and Health Services (DSHS) Division of Child Care and Early Learning (Sec. 501).

DEL will designate categories of child care facilities and issue licenses for them (Sec. 301). Because the categories and requirements for licenses have not been established yet, it is uncertain what impact there will be from any changes in licensing requirements or policies in the new Department.

Applicants or licensees under DEL will have the right to an adjudicative proceeding if their application is denied or license is revoked, suspended, or modified (Sec. 311(1), paralleling RCW 74.15.130(1)). This only applies to licensees on probationary status if their license is suspended, revoked, or modified (Sec. 310(6), paralleling RCW 74.15.125(6)). There is also a right to an adjudicative proceeding for civil monetary penalties (Sec. 311(3), paralleling RCW 74.15.130(4)). DEL has the burden of proof by a preponderance of the evidence in these adjudicative proceedings (Sec. 311(2), (3), paralleling RCW 74.15.130(3), (4)). DEL may also place a child day care center or family day care provider on nonreferral status, but there does not appear to be a hearing right attached to the decision (Sec. 311(4)).

RCW 43.20A.205(3) currently provides license applicants or licensees whose applications are denied or whose licenses are revoked, suspended, or modified by DSHS with the right to an adjudicative proceeding under the Administrative Procedures Act, chapter 34.05 RCW. The Office of Administrative Hearings (OAH) conducts these hearings. The bill specifically provides that RCW 43.20A.205 would continue to apply to adjudicative proceedings on licenses (Sec. 311(1)) and that chapter 43.20A RCW would apply to adjudicative proceedings on civil monetary penalties.

The bill also provides that OAH shall not assign Administrative Law Judges (ALJs) to these proceedings unless they have received specific training on child abuse and neglect, investigations, and licensing and that OAH shall develop and implement a training program (Sec. 312). This is identical to the current requirement of RCW 74.15.132 for proceedings under DSHS.

The act takes effect July 1, 2006 (Sec. 604).

For purposes of this fiscal note, OAH assumes that all adjudicative proceedings from appeals by applicants or licensees will simply transfer from DSHS to DEL and that they will not change in volume or nature. (As noted above, the nature of licenses will have to be determined in the future under Sec. 301.) Therefore, there should be no net difference in expenditures other than minor variations due to changes in billing procedures for DEL and DSHS.

OAH will receive appeals, schedule hearings, conduct prehearing conferences and hearings, schedule and utilize interpreters, receive and rule on evidence, prepare the record of the hearing, and issue written decisions, including findings of fact and conclusions of law in the same way for DEL as currently for DSHS. OAH assumes that no new training would be required for ALJs currently assigned to the caseload and that ALJs who already have received training under the DSHS program would continue to be assigned to these cases. Periodic training will also be required in the future for new ALJs or those newly assigned to this caseload and as updates for continuing ALJs in the caseload. However, OAH assumes that this would not be any different than under DSHS.

OAH assumes that there will be a difference in the source of revenue from DSHS to DEL, but that the revenue itself will remain basically the same, just as the expenditures remain the same. As a practical matter, because of its size, DSHS currently receives appropriated funds in Program 145 (Payments to Other Agencies) which are dedicated to OAH and OAH simply assigns staff and other costs to DSHS programs and bills against Program 145. With most other agencies which do not have large numbers of cases, OAH charges on an hourly basis, currently \$85 per hour for ALJ time and \$47

for support staff. OAH assumes that it would bill DEL on an hourly basis for ALJ and support staff time, plus costs for interpreters and court reporters/transcripts, instead of billing costs directly against Program 145. This is a difference in billing procedures based on volume, but should not make any significant difference in the net amount billed.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Source of revenue will change from DSHS Program 145 to the Department of Early Learning beginning in FY 07.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2964 2S HB	Title: Department of early learning	Agency: 225-Washington State Patrol
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Part I: Estimates

☒ **No Fiscal Impact**

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/12/2006
Agency Preparation: Eileen Nashleanas	Phone: 360-753-0637	Date: 02/13/2006
Agency Approval: Diane C. Perry	Phone: 360-753-0221	Date: 02/14/2006
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 02/14/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

2S HB 2964 transfers programs and functions currently administered within the Department of Social and Health Services, the Office of the Superintendent of Public Instruction, and Community and Economic Development to the new Department of Early Learning. Sec 109 directs the Department of Early Learning to prepare a biennial report measuring the effectiveness of its programs to the governor. There are no additional changes in this substitute bill for the Washington State Patrol.

House Bill 2964 establishes a new department entitled, the Department of Early Learning, which will be responsible for safeguarding the health, safety, and well-being of children receiving child care and early learning services. This transfers much of the current child care policy and licensing decisions from the authority of the Department of Social and Health Services (DSHS) and the Department of Community, Trade and Economic Development to the new department.

Sec. 301 and Sec. 402 of HB 2964 state that applicants for an agency license, licensees, their employees, and other persons who have unsupervised access to children in care, and who have not resided in the state of Washington during the three-year period before being authorized to care for children, shall be fingerprinted. The fingerprints shall be forwarded to the Washington State Patrol and the Federal Bureau of Investigation for a criminal history records check at the expense of the licensee.

Sec. 302 of HB 2964 gives authority to the chief of the WSP, through the Director of Fire Protection, to help adopt recognized minimum fire standard requirements, inspect and investigate agencies as necessary, make periodic review of requirements, and issue certificates of compliance to applicants for childcare facility licenses. Sec. 305 of the bill gives the WSP right of entrance and privilege of access to, and inspection of, records to ascertain compliance with provisions of this bill.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

The Washington State Patrol will not receive additional revenue from this proposal.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Currently, background checks are performed for the Department of Social and Health Services (DSHS) by the Identification Section of the WSP. We assume the same background checks performed for DSHS will be performed for the Department of Early Learning with no additional fiscal impact to the WSP.

Additionally, the WSP performs the required fire inspections through a contractual agreement with the (DSHS). We assume inspections will be conducted under contract for reimbursement of expenditures with the Department of Early Learning with no additional fiscal impact to the agency.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2964 2S HB	Title: Department of early learning	Agency: 300-Dept of Social and Health Services
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2006	FY 2007	2005-07	2007-09	2009-11
General Fund-Federal 001-2		(180,000)	(180,000)	(360,000)	(360,000)
Total \$		(180,000)	(180,000)	(360,000)	(360,000)

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	0.0	(165.0)	(82.5)	(165.0)	(165.0)
Fund					
General Fund-Federal 001-2	0	(180,000)	(180,000)	(360,000)	(360,000)
Total \$	0	(180,000)	(180,000)	(360,000)	(360,000)

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/12/2006
Agency Preparation: Dan Winkley	Phone: 360-902-8179	Date: 02/13/2006
Agency Approval: Sue Breen	Phone: 360-902-8183	Date: 02/16/2006
OFM Review: Cheri Keller	Phone: 360-902-0553	Date: 02/16/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 103 creates the Department of Early Learning (DEL). DEL is vested with all powers and duties transferred to it under the chapter and other powers and duties as may be authorized by law.

Part 5, Section 501 (2) transfers all powers, duties, and functions of the Division of Child Care and Early Learning (DCCEL) in the Department of Social and Health Services (DSHS) pertaining to the Working Connections Child Care (WCCC) program, child care licensing, child care quality activities, and the Head Start Collaboration Office to DEL. However, eligibility staffing and eligibility payment functions for the WCCC program shall not be transferred to DEL.

Part 5, Section 503 (2) states, any appropriations made to DSHS for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred to DEL through an interagency agreement.

DSHS will maintain it's responsibility as the 'Lead Agency' for both the Child Care Development Fund (CCDF) and the Temporary Assistance for Needy Families (TANF) programs.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Transferred funding is federal Head Start (001-2).

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

It is assumed that the following activites and associated FTEs will transfer to DEL: 1) Child Care Licensing, 2) Child Care Quality Contracting, 3) Child Care Subsidies - (WCCC) Policy, 4) Head Start Collaboration, 5) DCCEL program staff, and 6) Child Care Research and Administrative Support. However, eligibility staffing and eligibility payment functions for WCCC program shall not be transferred to DEL.

The amounts identified represent the Governor's 2006 Supplemental budget request step - 2Y FTE Transfer from DSHS to DEL - (163.5), and step EH-Head Start Collaboration Transfer (1.5) FTEs and (\$180,000).

DSHS will incur all costs for these FTEs and related activities through an interagency agreement with DEL. DSHS will need agency staff to coordinate with the new agency and carry out the responsibilites as the Lead Agency for TANF and CCDF. Additionally, this fiscal note estimate does not include costs associated with system programming changes associated with the transfer of duties and functions from DSHS to DEL.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years		(165.0)	(82.5)	(165.0)	(165.0)
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		(180,000)	(180,000)	(360,000)	(360,000)
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$0	\$(180,000)	\$(180,000)	\$(360,000)	\$(360,000)

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2006	FY 2007	2005-07	2007-09	2009-11
WMS and WGS	40,000		(165.0)	(82.5)	(165.0)	(165.0)
Total FTE's			(165.0)	(82.5)	(165.0)	(165.0)

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None

Individual State Agency Fiscal Note

Bill Number: 2964 2S HB	Title: Department of early learning	Agency: 350-Supt of Public Instruction
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
General Fund-State 001-1	0	(125,000)	(125,000)	0	0
Total \$	0	(125,000)	(125,000)	0	0

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/12/2006
Agency Preparation: Randy Newman	Phone: 360-725-6283	Date: 02/14/2006
Agency Approval: Renee Lewis	Phone: 360-725-6181	Date: 02/16/2006
OFM Review: Denise Graham	Phone: 360-902-0572	Date: 02/16/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 103 creates the Department of Early Learning.

Section 501 transfers the early reading initiative from OSPI to the newly formed Department of Early Learning.

Section 502 transfers all reports, documents, surveys, books, records, files, papers, or written materials to the Department of Early Learning. Also, tangible property (cabinets, desks, and etc.) shall be made available to the Department of Early Learning.

Section 503 transfers the appropriation received in the 2005-07 operating budget for the early reading grant program from OSPI to the Department of Early Learning.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

No impact to cash receipts.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 502 requires OSPI to transfer all reports, documents, surveys, books, records, files, papers or written materials be transferred to the Department of Early Learning (DEL). Also, all tangible property (cabinets, desks and etc) shall be made available to the DEL. OSPI will absorb the cost of transferring program materials to the DEL.

Section 503 transfers the appropriation for the early reading grant program received in the 2005-07 operating budget (\$125,000 in fiscal year 2007) to the newly created Department of Early Learning.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		(125,000)	(125,000)		
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$0	\$(125,000)	\$(125,000)	\$0	\$0

Part IV: Capital Budget Impact

No impact to the capital budget.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No required rule changes.