

Multiple Agency Fiscal Note Summary

Bill Number: 1671 HB	Title: Child care reform
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Estimated Cash Receipts

Agency Name	2013-15		2015-17		2017-19	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Social and Health Services	0	2,307,000	0	2,280,000	0	2,280,000
Total \$	0	2,307,000	0	2,280,000	0	2,280,000

Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Social and Health Services	(1.3)	2,747,000	5,054,000	(1.7)	2,646,000	4,926,000	(1.7)	2,646,000	4,926,000
Department of Early Learning	1.2	83,145,843	83,145,843	1.0	83,919,088	83,919,088	1.0	83,919,088	83,919,088
Total	(0.1)	\$85,892,843	\$88,199,843	(0.7)	\$86,565,088	\$88,845,088	(0.7)	\$86,565,088	\$88,845,088

Estimated Capital Budget Impact

NONE

Prepared by: Kate Davis, OFM	Phone: (360) 902-0570	Date Published: Revised 2/19/2013
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 34184

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1671 HB	Title: Child care reform	Agency: 300-Dept of Social and Health Services
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2014	FY 2015	2013-15	2015-17	2017-19
General Fund-Federal 001-2	1,167,000	1,140,000	2,307,000	2,280,000	2,280,000
Total \$	1,167,000	1,140,000	2,307,000	2,280,000	2,280,000

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	(0.9)	(1.7)	(1.3)	(1.7)	(1.7)
Account					
General Fund-State 001-1	1,424,000	1,323,000	2,747,000	2,646,000	2,646,000
General Fund-Federal 001-2	1,167,000	1,140,000	2,307,000	2,280,000	2,280,000
Total \$	2,591,000	2,463,000	5,054,000	4,926,000	4,926,000

Estimated Capital Budget Impact:

NONE

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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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.

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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: Lindsay Lanham	Phone: 360-786-7120	Date: 02/07/2013
Agency Preparation: Bill Jordan	Phone: 360-902-8183	Date: 02/15/2013
Agency Approval: Dan Winkley	Phone: 360-902-8179	Date: 02/15/2013
OFM Review: Carl Yanagida	Phone: (360) 902-0553	Date: 02/15/2013

Request # 13HB1671-1

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 2(3) and (4) amends RCW 43.215.135 requiring a 10 percent increase in the Working Connections Child Care (WCCC) subsidy rate to those providers who accept children eligible for the subsidy. The bill returns co-pays to levels in effect on July 1, 2010. Both provisions take effect July 1, 2013.

Section 3 – Applicants may be eligible for WCCC for additional educational activities: 4-year Bachelor's degree; vocational training; 2-year Associates degree; and worker retraining program.

Section 5 – Establishes the Child Care Consumer and Provider Bill of Rights.

Note: Section 5(3) defines “department” as both the Department of Early Learning (DEL) and the Department of Social and Health Services (DSHS).

- DEL and DSHS shall return all calls from consumers within 48 hours of receiving them.
- DEL and DSHS employees working with child care consumers shall receive training on professionalism.
- DEL and DSHS shall develop a process by which consumers can submit required forms and information electronically.
- DEL and DSHS shall notify providers two weeks prior to termination that a parent has lost WCCC eligibility.
- DEL and DSHS shall provide a document that explains services, the appeal process, responsibility in obtaining and maintaining eligibility for WCCC, and rights as a consumer.
- DEL and DSHS shall convene a parent and provider oversight board consisting of five representing consumers and five representing providers. The board must meet at least three times a year. The purpose of the board is to listen to issues raised by consumers and providers and provide feedback to DEL and DSHS on recommended policy changes to address the issues of concern.

Section 7 – Following the recommendations of the Aclara group report, DEL and DSHS must:

- Eliminate the current custody/visitation policy;
- Design a subsidy system that is flexible and accounts for small fluctuations in family circumstances;
- Create broad authorization categories so that relatively minor changes in parents’ work schedule does not require changes in authorizations;
- Eliminate the activity schedule and reduce the number of minor changes that families are required to report; and
- Clarify and simplify the requirement to count child support as income.

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 increased costs for Children's Administration are funding 50 percent by General Fund Federal - Title IV-E.

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 2 - DSHS is responsible for the payment of child care subsidies for the Working Connections Child Care (WCCC) Program, Children's Administration (CA), and the DEL Seasonal Child Care Program. This work impacts the Economic Services Administration (ESA), the Children's Administration (CA), and the Information System Services Division (ISSD) within DSHS.

ISSD manages the Social Services Payment System (SSPS). This is the payment system for child care subsidies. Subsidy payment rates are established by DEL. These rates are communicated through DEL to ESA, CA, and ISSD who ensure that payments made through SSPS adhere to the established rates.

ESA manages Working Connections Automated Program (WCAP). This is the eligibility system for child care subsidies.

ESA currently is appropriated most of the funding which supports the WCCC Program. This includes the state funding necessary to meet the state spending requirements under the federal Child Care Development Fund (CCDF) and appropriated to meet the terms negotiated under the child care collective bargaining agreements. Additionally, some Temporary Assistance for Needy Families (TANF) funds, also appropriated to ESA, are used to support the WCCC program. ESA is reimbursed for some WCCC costs with federal CCDF funds which are appropriated to DEL. This is accomplished through an interagency agreement between DEL and DSHS.

For purposes of this fiscal note, it is assumed that DEL will be responsible for the increase in WCCC subsidy costs that will occur should this bill pass. It is assumed that the increased funding needed to support these costs will be appropriated to DEL and that ESA will be reimbursed for these costs through an interagency agreement with DEL. As such, the fiscal impact to DSHS from passage of this bill will be related to making payment rate changes to SSPS and WCAP. Implementation of this bill may have significant impacts on the DSHS child care payment systems (SSPS and WCAP). The date these provisions are expected to be in place and the complexities of the system change may affect the department's ability to timely implement other planned priorities.

Children's Administration

Section 2(3) requires the Department to increase the WCCC subsidy rate by 10 percent. CA expends approximately \$22,787,000 in the working connections child care subsidy. In addition, CA will need to update the FamLink system for the 10 percent rate increase. CA estimates that it will cost \$55,000 to update FamLink.

The fund split is 50/50. CA uses General Fund Federal Title IV-E.

See attachment 13 HB 1671 Attachment 1 for calculation of costs.

Section 3

Caseload is expected to increase as a result of adding additional qualifying educational activities.

- There is current a 33,000 per month CAP on enrollment for WCCC.

- The November 2012 OFM WCCC Forecast estimates that average caseload for SFY 14 is 30,419.
- Per the Alcara Group's Final Report to DEL, eligibility workers spend an average of 45 minutes per application.
- It is expected that call center volume and applications may increase as a result of adding new benefit types, the exact amount of the increase is unknown.
- For purposes of this fiscal note it is assumed that the caseload would reach 33,000 during SFY 14.
- New data elements will need to be added to WCAP and Washington Connections on-line applications.
- The date by which this provision is expected to be in place and the complexities of the system changes could affect the department's ability to timely implement other planned priorities.
- Once the 33,000 per month Child Care CAP is reached it is assumed that the Child Care Wait List will be reinstated.
- Costs related to the wait list are indeterminate. In SFY 12, the Child Care Wait List caused an increase in calls, call wait times, and application processing.

See attachment 13 HB 1671 Attachment 1 for calculation of costs.

Section 5 (a) – The Department shall return all calls from consumers within forty-eight hours of receiving them.

- The provision requires the Department to return all calls from consumers within 48 hours. Codifying this requirement in statute places a requirement to return calls on holidays and weekends.
- DSHS does not currently track the number of calls that are not returned because there is an inbound call queue with the expectation that all calls are answered as they come in.
- There is approximately 2,000 referrals that may include a callback to a customer each month (Referral Pool).
- It takes approximately 3 days to respond to a customer in the referral pool.
- There are 52 weeks in a year and 5 holidays (Martin Luther King, President's Day, Memorial Day, Labor Day and Thanksgiving) that would be impacted by this requirement.
- Union contracts may need to be re-negotiated to include mandatory overtime.

See attachment 13 HB 1671 Attachment 1 for calculation of costs.

Section 5 (b) – Departmental employees working with child care consumers shall receive training on professionalism.

- For purposes of this fiscal note, it is assumed that Financial Services Specialists, Social Workers, Community Workers, WorkFirst Program Specialists and Financial Supervisors may work with child care consumers.
- Removing workers from their current duties to attend training may cause a delay in response times.
- All workers would need to be trained in Year 1, only new workers would require training in subsequent years.
- For purposes of this fiscal note, it is assumed that an on-line training course would be developed.
- The cost to develop the training would include indentifying course content, development, testing and modifications.

See attachment 13 HB 1671 Attachment 1 for calculation of costs.

Section 5 (c) – Develop a process for on-line submittal of forms and information.

- For purposes of this fiscal note, it is assumed that DSHS is required to develop a process for electronic submittal of forms and information.
- DSHS currently has a process under development for forms and information to be submitted.
- As long as DSHS systems are used, we do not expect a cost for this section.

Section 5 (d) – Notify providers two weeks prior to consumer’s loss of eligibility.

- DSHS systems do not have the functionality to notify providers four days prior to consumer notification.
- It is estimated this functionality will require substantial programming changes.
- Providers currently receive a courtesy copy of consumer termination information at the same time consumers are notified.
- It is estimated that staff will spend additional time on each termination in order to satisfy this requirement. There were 34,404 terminations in SFY 12.

See attachment 13 HB 1671 Attachment 1 for calculation of costs.

Section 7 – It is estimated DSHS Staff effort will decrease as a result of removing rules regarding consumer reporting of small fluctuations in family circumstances, changes in parent’s work schedules, elimination of the activity schedule and other changes that families are now required to report. DSHS has already simplified the requirement to count child support as income.

The SFY 12 unduplicated case count for WCCC is 80,055 households. For the purposes of this fiscal note it is estimated that the staff workload would be reduced by approximately 10 minutes if rules and system changes occur and households are no longer required to report the changes.

See attachment 13 HB 1671 Attachment 1 for calculation of costs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	(0.9)	(1.7)	(1.3)	(1.7)	(1.7)
A-Salaries and Wages	225,000	191,000	416,000	382,000	382,000
B-Employee Benefits	35,000	20,000	55,000	40,000	40,000
C-Professional Service Contracts					
E-Goods and Other Services	42,000	(24,000)	18,000	(48,000)	(48,000)
G-Travel	(1,000)	(1,000)	(2,000)	(2,000)	(2,000)
J-Capital Outlays	12,000		12,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	2,279,000	2,279,000	4,558,000	4,558,000	4,558,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	(1,000)	(2,000)	(3,000)	(4,000)	(4,000)
9-					
Total:	\$2,591,000	\$2,463,000	\$5,054,000	\$4,926,000	\$4,926,000

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 2014	FY 2015	2013-15	2015-17	2017-19
Financial Services Specialist 3	42,588	(0.9)	(1.7)	(1.3)	(1.7)	(1.7)
Total FTE's	42,588	(0.9)	(1.7)	(1.3)	(1.7)	(1.7)

III. C - Expenditures By Program (optional)

Program	FY 2014	FY 2015	2013-15	2015-17	2017-19
Children's Administration (010)	2,334,000	2,279,000	4,613,000	4,558,000	4,558,000
Economic Services Administration (060)	257,000	184,000	441,000	368,000	368,000
Total \$	2,591,000	2,463,000	5,054,000	4,926,000	4,926,000

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.

New or amended rules will be needed to implement this bill.

Department of Social and Health Services
Fiscal Note - HB 1671 Child Care Reform
Attachment 1

Sec. 2(3) and (4) WCCC Child Care Rates - Children's Administration

10% Base Rate Impact		SFY12 Allotment
CPS Childcare (A1481)	\$	5,554,092
FH Employment Childcare (A1964)	\$	17,233,296
Total	\$	22,787,388
10% annual increase (due to increase in base rate)	\$	2,279,000
IT Impact		
Cost to modify FamLink	\$	55,200

July 1, 2013 implementation	SFY14	Ongoing
Base Rate Impact	\$ 2,279,000	\$ 2,279,000
IT Impact	\$ 55,000	0
Total Cost (SFY14 service cost prorated based on Jan. 2014 start date (6 mos))	\$ 2,334,000	\$ 2,279,000

Economic Services Administration

Section 3 Additional Educational Activities

Estimated number of applications that could be approved before CAP is reached	2,581
Estimated number of minutes to process applications	45
Total estimated number of minutes for applications	116,145

Total increase in hours	1,936
Number of FTEs needed per year (1,936 / 1,656)	1.2
SFY 14	\$ 104,000
Ongoing	\$ 97,000

Section 5 (a) Return Calls within 48 hour calculation:

Days that would be impacted by this requirement, 52 Fridays, and Holidays that always fall on Monday (Martin Luther King Day, President's Day, Memorial Day, Labor Day) and Thanksgiving	52
	5
Total number of days overtime may be required	57

Estimated number of referrals that may require callback	240
Estimated number of minutes it takes for each contact	30
Total estimated number of minutes per contact	7,200

Total hours of overtime required to to make contact within 48 hours	120
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Average FSS hourly Salary (\$3549/138 hours) X Overtime at 1.5	\$ 38.58
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Total Overtime required per year (57 x 120 x 38.58)	Salary	\$ 264,000
(\$264,000 x 15.71%)	Benefits	\$ 41,000
	TOTAL	\$ 305,000

Section 5 (b) Training calculation (SFY14 only):

Estimated number of FTE's that will need training	1,835
Estimated time for on-line training (minutes)	45
Total estimated number of minutes for training	82,575
Total hours of time for staff training	1,376
Number of FTEs needed per year (1,376 / 1,656)	0.8
SFY 14	\$ 66,000

Department of Social and Health Services
Fiscal Note - HB 1671 Child Care Reform
Attachment 1

Section 5 (d) Provider notification of Consumer termination (SFY14 & SFY15):

Number of Terminations (July 1, 2011 to June 30, 2012)	34,404
Estimated additional time needed to notify provider per case	15
Total estimated number of minutes for notification	516,060

Total hours of staff time needed	8,601
Number of FTEs needed per year (8,601 / 1,656)	5.2
SFY 14	\$ 396,000
Ongoing	\$ 396,000

Section 7 Reporting changes

Maximum number of households that would need to report a change	80,055
Estimated number of minutes to report change	10
Total estimated number of minutes for changes	800,550

Total decrease in hours for non-reporting	13,343
Number of FTEs per year (13,343 / 1,656)	(8.1)
SFY 14	\$ (614,000)
Ongoing	\$ (614,000)

GRAND TOTAL SFY 14	\$ 2,591,000
Ongoing	\$ 2,463,000

Individual State Agency Fiscal Note

Revised

Bill Number: 1671 HB	Title: Child care reform	Agency: 357-Department of Early Learning
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	1.3	1.0	1.2	1.0	1.0
Account					
General Fund-State 001-1	41,186,299	41,959,544	83,145,843	83,919,088	83,919,088
Total \$	41,186,299	41,959,544	83,145,843	83,919,088	83,919,088

Estimated Capital Budget Impact:

NONE

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: Lindsay Lanham	Phone: 360-786-7120	Date: 02/07/2013
Agency Preparation: John Rich	Phone: 360 725-4513	Date: 02/19/2013
Agency Approval: John Rich	Phone: 360 725-4513	Date: 02/19/2013
OFM Review: Kate Davis	Phone: (360) 902-0570	Date: 02/19/2013

Request # 13-014-6

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 2(3) requires the Department of Early Learning (DEL) to increase the Working Connections Child Care (WCCC) subsidy rate paid to providers by 10 percent.

Section 2(4) returns WCCC consumer copayments to rates in effect on July 1, 2010.

New Section 3(1-2) expands the list of educational activities that qualify non-WorkFirst applicants for WCCC subsidies to include four-year bachelor's programs, vocational and training programs, two-year associate programs, and worker retraining programs. It also requires DEL to draft rules in accordance with this section.

Section 4(2) describes the levels in the Early Achievers program, and requires level 2 program participants to participate in the DEL statewide professional development registry.

Section 4(3) states that beginning July 1, 2013, providers receiving WCCC payments will receive a 5 percent per-child increase in the subsidy rate for achieving level two in Early Achievers, our state's quality rating and improvement system.

New Section 4(4) requires DEL to develop rules consistent with new section 4.

New Section 5(1) creates a "child care consumer and provider bill of rights." It requires DEL to return calls from consumers within 48 hours, to train employees working with child care consumers on professionalism, to develop electronic submission of forms, to notify providers two weeks prior to a consumer's loss of WCCC eligibility, and to provide consumers a document detailing in easy-to-understand language what services they are eligible for, how to appeal adverse decisions, and their responsibilities.

New Section 5(2) requires DEL to convene a parent and provider oversight board of 10 members, five representing consumers and five representing providers. The board would meet three times a year and DEL would listen and respond to issues raised by consumers and providers.

New Section 6 creates a legislative task force on child care improvements to which the president of the senate would appoint a representative from DEL, among others. This section also specifies the issues to be addressed by the task force.

Sec. 7(2) requires DEL and the Department of Social and Health Services (DSHS) to eliminate the current custody/visitation policy and design a subsidy system that accounts for small fluctuations in family circumstances. DEL must also create new authorization categories so that minor changes in consumer work schedules don't require changes in authorization. It also requires the elimination of the activity schedule and reduction in the number of minor changes families must report. It further requires simplification and clarification of the requirement to count child support as income.

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 2(3): \$29,209,785 in client service contract expenditure in fiscal year 2014 and \$29,483,029 in each of fiscal years 2015-19. These expenditures are calculated as follows:

The average total monthly child care costs between July and October 2012 per household is determined. That number is multiplied by 110 percent to account for the 10 percent WCCC subsidy rate increase. The average cost per month per household resulting from the copayment rollback in section 2(4) of this bill is then added. This sum is then multiplied by the average forecasted monthly WCCC enrollment to produce a monthly cost. The monthly cost is multiplied by 12 to produce a yearly cost. The cost for each fiscal year's forecast without the 10 percent WCCC subsidy rate are subtracted from this sum to arrive at the total cost per fiscal year.

The total cost in FY 2014 is \$28,209,785, determined as follows: The average total monthly child care costs between July and October 2012 were \$802.60 per household. Multiply this amount by 110 percent to account for the rate increase WCCC subsidy rate ($\$802.60 \times 1.1 = \882.86). Add to this sum the average cost of the copay rollback from section 2(4) ($\$12.50$) ($\$882.86 + \$12.50 = \895.36) to produce the average monthly cost per household. This number is multiplied by the forecasted caseload for each month and then multiplied by 12 months to produce a total yearly cost ($\$895.36 \times 29,290 \times 12 = \$314,701,133$). From this number is subtracted the total yearly cost without the 10 percent WCCC subsidy rate increase ($(\$802.60 + \$12.50) \times 29,290 \times 12 = \$286,491,348$), for a total of \$28,209,785 ($\$314,701,133 - 286,491,348 = 28,209,785$).

The total cost in FY 2015, with projected WCCC enrollment at 30,612, is \$29,483,029 ($(\$895.36 \times 30,612 \times 12) - (\$815.1 \times 30,612 \times 12) = \$29,483,029$).

Lacking projected enrollment data for fiscal years 2016-19, enrollment data for 2015 are used to calculate yearly costs of \$29,483,029 in each of fiscal years 2016-2019.

Section 2(4):\$4,393,500 in client service contract expenditure in fiscal year 2014 and \$4,591,800 in each of fiscal years 2015-19. These expenditures are calculated as follows:

The average total monthly child care costs between July and October 2012 per household is determined. The average cost per month per household resulting from the copayment rollback of this bill is then added. This sum is then multiplied by the average forecasted monthly WCCC enrollment to produce a monthly cost. The monthly cost is multiplied by 12 to produce a yearly cost. The cost for each fiscal year's forecast without the copay rollback is subtracted from this sum to arrive at the total cost per fiscal year.

The total cost in FY 2014 is \$4,393,500, determined as follows: The average total monthly child care costs between July and October 2012 were \$802.60 per household. Add to this number the average per-provider cost of the copay rollback from section 2(4) (\$12.50) ($\$802.60 + \$12.50 = \815.10) to produce the average monthly cost per household. This number is multiplied by the forecasted caseload for each month and then multiplied by 12 months to produce a total yearly cost ($\$815.10 \times 29,290 \times 12 = \$286,491,348$). From this number is subtracted the total yearly cost without the copayment rollback ($\$802.60 \times 29,290 \times 12 = \$282,097,848$), for a total of \$4,393,500 ($\$286,491,348 - \$282,097,848 = \$4,393,500$).

The total cost in FY 2015, with projected WCCC enrollment at 30,612, is \$4,591,800 ($(\$815.10 \times 30,612 \times 12) - (\$802.60 \times 30,612 \times 12) = \$4,591,800$).

Lacking projected enrollment data for fiscal years 2016-19, enrollment data for 2015 are used to calculate yearly costs of \$4,591,800 in each of fiscal years 2016-2019.

Section 3(1-2): Costs are indeterminate for expanding the eligible educational activities. By expanding the types of activities, WCCC eligibility can be expected to extend over longer periods of time. DEL lacks any data to support an estimate of how many people would engage in the newly eligible activities, and for how long. The rulemaking requirement in this section would not result in additional expenditure because rulemaking costs related to WCCC are already assumed in DEL's current budget.

Section 4(2) has no fiscal impact. Early Achievers level 2 participants are already currently required to participate in DEL's professional development registry, known as MERIT (Managed Education Registry and Information Tool).

Section 4(3): \$7,448,775 in client service contract expenditure in fiscal year 2014 and \$7,784,974 in each of fiscal years 2015-19. These expenditures are calculated as follows:

The average total monthly child care costs between July and October 2012 per household is determined. The average cost per month per household resulting from the copayment rollback in section 2(4) of this bill is then added. This sum is then multiplied by the average forecasted monthly WCCC enrollment to produce a monthly cost. The monthly cost is multiplied by 12 to produce a yearly cost. The yearly cost is multiplied by .52 to account for the 52 percent of providers projected to be at Early Achievers levels 2 and above. This number is then multiplied by .05 to account for the five percent WCCC subsidy rate increase for those providers. The product represents the cost of the rate increase.

The total cost in FY 2014 is \$7,448,775, determined as follows: The average total monthly child care costs between July and October 2012 were \$802.60 per household. Add to this number the average cost of the copay rollback from section 2(4) (\$12.50) ($\$802.60 + \$12.50 = \815.10) to produce the average monthly cost per household. This number is multiplied by the forecasted average caseload for each month and then multiplied by 12 months to produce a total yearly cost ($\$815.10 \times 29,290 \times 12 = \$286,491,348$). Multiply this amount by .52 to account for the percentage of providers at Early Achievers level 2 and above ($\$286,491,348 \times .52 = \$148,975,501$). Multiply this number by .05 percent to account for the rate increase WCCC subsidy rate ($\$148,975,501 \times .05 = \$7,448,775$). The product represents the cost of the WCCC subsidy rate increase for providers at Early Achievers levels 2 and above.

The total cost in FY 2015, with projected WCCC enrollment at 30,612, is \$7,784,974 ($(\$815.10 \times 30,612 \times 12 \times .52$

x .05) = \$7,784,974).

Lacking projected enrollment data for fiscal years 2016-19, enrollment data for 2015 are used to calculate yearly costs of \$7,784,974 in each of fiscal years 2016-2019.

Section 5(1) would require a one-time expenditure of \$2,000 for a personal service contract for delivery of professionalism training at DEL's annual all-staff assembly. It is assumed that DEL is already meeting the 48-hour call-back requirement, so no expenditure would be required to meet this standard. The other provisions under 5(1) relate to WCCC eligibility services provided by DSHS and not to DEL's policy role with respect to WCCC, and therefore do not have a fiscal impact to DEL.

Section 5(2): 1.0 FTE Administrative Regulations Analyst 4 (ARA4) costing \$85,991 in salary and benefits in each of fiscal years 2014-19. It is assumed that the new parent and provider oversight board would generate a very large number of requests for information from all WCCC stakeholders, and would require compilation of all of this information. DEL would need the 1.0 FTE to perform these functions, as well as to schedule board meetings, carry out stakeholder correspondence, arrange meeting space, and provide meeting notifications and other communications.

Goods and Services: \$13,000 in each of fiscal years 2014-19 for standard goods and services associated with the ARA4 FTE, calculated at a rate of \$13,000 per FTE per fiscal year. Standard goods and services include necessary supplies and materials, space and utilities, information technology fees and equipment leases, communications, routine printing and reproduction, employee development and training, and mandatory interagency charges, including those from the Department of Personnel and Department of Enterprise Services.

Travel: \$750 in each of fiscal years 2014-19 for the ARA4 FTE for travel reimbursement to attend board meetings, assuming 2 meetings per year would occur in locations that would require overnight lodging and per diem.

Equipment: \$2,800 in FY14 for one-time purchase of a workstation for the ARA4 FTE.

New Section 4(4): The rulemaking requirement in this section would not result in additional expenditure because rulemaking costs related to WCCC are already assumed in DEL's current budget.

New Section 6: DEL assumes the following one-time expenditures associated with the legislative taskforce:

--.3 FTE Administrative Regulations Analyst 4 (ARA4) costing \$25,798 in salary and benefits in fiscal year 2014 to elicit constituent feedback and communicate with stakeholders, follow up on research for the committee on action plans and research related to the findings and recommendations report due in December 2013.

--Goods and Services: \$3,900 in fiscal year 2014 for standard goods and services associated with the ARA4 FTE, calculated at a rate of \$13,000 per FTE per fiscal year ($\$13,000 \times .3 = 3,900$).

New Section 7 would require DEL to engage in rulemaking. This would not result in additional expenditure because rulemaking costs related to WCCC are already assumed in DEL's current budget.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	1.3	1.0	1.2	1.0	1.0
A-Salaries and Wages	85,769	65,976	151,745	131,952	131,952
B-Employee Benefits	26,020	20,015	46,035	40,030	40,030
C-Professional Service Contracts	2,000		2,000		
E-Goods and Other Services	16,900	13,000	29,900	26,000	26,000
G-Travel	750	750	1,500	1,500	1,500
J-Capital Outlays	2,800		2,800		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	41,052,060	41,859,803	82,911,863	83,719,606	83,719,606
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$41,186,299	\$41,959,544	\$83,145,843	\$83,919,088	\$83,919,088

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 2014	FY 2015	2013-15	2015-17	2017-19
Admin Reg Analyst 4	65,976	1.3	1.0	1.2	1.0	1.0
Secretary Senior	33,984					
Social Worker 3	52,872					
Social Worker 4	59,784					
Total FTE's	212,616	1.3	1.0	1.2	1.0	1.0

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.

Section 3, New Section 4(4) and New Section 7 require rulemaking. No additional expenditure would be required, as indicated in part IIC.