

Multiple Agency Fiscal Note Summary

Bill Number: 6538 SB	Title: Early ed/children in welfare
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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	229,000	0	1,032,000	0	1,092,000
Total \$	0	229,000	0	1,032,000	0	1,092,000

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	7.6	11,364,000	11,593,000	45.1	52,019,000	53,051,000	48.0	54,962,000	56,054,000
Department of Early Learning	.0	14,009,352	14,009,352	.0	57,915,554	57,915,554	.0	63,823,375	63,823,375
Total	7.6	\$25,373,352	\$25,602,352	45.1	\$109,934,554	\$110,966,554	48.0	\$118,785,375	\$119,877,375

Estimated Capital Budget Impact

NONE

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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 37922

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 6538 SB	Title: Early ed/children in welfare	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	1,000	228,000	229,000	1,032,000	1,092,000
Total \$	1,000	228,000	229,000	1,032,000	1,092,000

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.5	14.6	7.6	45.1	48.0
Account					
General Fund-State 001-1	108,000	11,256,000	11,364,000	52,019,000	54,962,000
General Fund-Federal 001-2	1,000	228,000	229,000	1,032,000	1,092,000
Total \$	109,000	11,484,000	11,593,000	53,051,000	56,054,000

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:

- ☒ 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: Katherine Taylor	Phone: 360-786-7434	Date: 02/04/2014
Agency Preparation: Tula Habb	Phone: 360-902-8182	Date: 02/25/2014
Agency Approval: Kelci Karl-Robinson	Phone: 360-902-8174	Date: 02/25/2014
OFM Review: Peter Graham	Phone: (360) 902-0582	Date: 02/26/2014

Request # 14SB6538-1

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 1.1 requires Family Assessment Response (FAR) workers to assess for child safety and well-being when determining the need for child protective services (CPS) child care or early learning services.

Sections 1.2 and 1.3 requires the FAR program to only subsidize for child care or early learning programs that are enrolled in the Early Achievers program that are rated three, four, or five except if services do not meet the child's needs.

Section 1.6 requires a FAR worker to help secure state subsidized child care or early learning services 15 days prior to closing a FAR case.

Section 2 adds a FAR case is automatically eligible, the first day it closes, for the Working Connections Child Care (WCCC) program for a 12-month period and not deemed ineligible due to any change in circumstance.

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 estimated earning is two percent for the DSHS Children's Administration (CA) program and the federal funding is Title IV-E Adoption. Based on planned implementation of Family Assessment Response (FAR), the CA already projects spending to the 5-year capped amount of Title IV-E. Thus, any new costs for services under the Title IV-E waiver must be funded with GF-State or is only to claim two percent federal.

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.

Please see file "Children's Administration Assumption Calculations" for cost methodology related to CA, and "waiting list" file for staffing impacts related to the Economic Services Administration (ESA).

CA CASELOAD COST (on-going), Section 1.1 -

Estimated number of FAR children that would participate in CPS child care:

FY 2014 (assume May effective date) = 342 total kids (137 families x 2.5 kids)

FY 2015 = 12,948 total kids (5,179 families x 2.5 kids)

FY 2016 = 26,461 total kids (10,585 families x 2.5 kids)

FY 2017 each FY thereafter = 29,480 total kids (11,792 families x 2.5 kids)

CA used the current FAR model to estimate the number of FAR families that would participate in CPS child care, and assumed there are 2.5 kids per family. The estimated monthly CPS child care cost is \$381 per child, and the length of child care range from one month to three months. Client service cost estimated at:

FY 2014 = \$71,000 (\$70,000 GF-State and \$1,000 GF-Federal)

FY 2015 = \$10,264,000 (\$10,059,000 GF-State and \$205,000 GF-Federal)

FY 2016 = \$21,591,000 (\$21,159,000 GF-State and \$432,000 GF-Federal)

FY 2017 and each FY thereafter = \$24,122,000 (\$23,640,000 GF-State and \$482,000 GF-Federal)

If instead DSHS assumed that 1.6 kids per FAR family participated in CPS child care, the number of participating children would decrease and so would the cost. The estimated client service costs are below (these costs are NOT included in the fiscal note amounts but are for comparison to the 2.5 kids assumption):

FY 2014 = \$11,000 (\$11,000 GF-State)

FY 2015 = \$6,400,000 (\$6,272,000 GF-State and \$128,000 GF-Federal)

FY 2016 = \$13,695,000 (\$13,421,000 GF-State and \$274,000 GF-Federal)

FY 2017 and each FY thereafter = \$15,324,000 (\$15,018,000 GF-State and \$306,000 GF-Federal)

CA STAFFING COST (on-going):

Sections 1.2 and 1.3 - CA estimates 30 minutes of staff time to assess the ratings for different child care facilities.

Section 1.6a – CA estimates 1.5 hours of staff time to ensure FAR families successful enrollment in child care upon leaving FAR.

Section 1.6b – CA estimates 30 minutes for staff to input data into the FAMLINK system for tracking child care usages as required in this bill.

ESA Impacts:

Section 2 requires that children who receive Family Assessment Response (FAR) services through the DSHS Children's Administration to be eligible for Working Connections Child Care, effective the day that FAR services are terminated.

It is assumed that 60% of all eligible FAR children will enter the caseload each Fiscal Year. A total of 3,908 families are assumed in Fiscal Year 2015 and 9,846 families in Fiscal Year 2016 and beyond.

Enrollment in WCCC is limited to 33,000 families. DEL projects that passage of this legislation will result in the demand for child care subsidies to exceed the limit on enrollment beginning in May of 2015. This will necessitate the institution of a "wait list" of clients seeking child care subsidies. It is assumed that DSHS will manage this wait list. It is estimated that, on average, it takes 3 minutes of staff time to screen non-Temporary Assistance for Needy Families (TANF) applicants for placement on the waitlist. This represents a staff cost of \$43,000 (.51 FTE's Financial Services Specialist 3) in Fiscal Year 2015 and \$191,000 (2.45 FTE's Financial Service Specialist 3) in Fiscal Year 2016 and beyond. It is assumed that TANF and FAR families will have priority entry to WCCC caseload.

Once the caseload cap is reached in May 2015, it is assumed that some non-TANF clients may cycle off the waitlist. However, the movement between waitlist and caseload are expected to be minimal, given ongoing growth in the February forecast, and the additional of eligibility of FAR families. Given the uncertainty moving clients from waitlist to caseload, no staff costs are assumed for this work.

The institution of a waitlist is likely to increase call volumes as clients inquire as to their status on the waitlist. It is estimated each client on the waitlist would call three times per month to request information on where they are on the waitlist. It is assumed that responding to these calls will take 3 minutes per call. These estimates represent a staff cost of \$25,000 in three months of Fiscal Year 2015 (.23 FTE, Financial Services Specialist 3). In Fiscal Year 2016 and beyond, responding to calls would represent a staff cost of \$477,000 (6.21 FTE, Financial Services Specialist 3).

Federal laws/rules for the use of Temporary Assistance for Needy Families (TANF) block grant funds specify that child care provided to a non-working family is considered “assistance.” The receipt of an “assistance” benefit subjects the family to many TANF program requirements, such as time limits, work requirements, and child support cooperation. Additionally, under federal TANF rules, TANF funded benefits can be provided only to families who meet the eligibility criteria (including income and resources) specified in the state’s federal TANF Plan. Some families who maintain 12 months of eligibility for child care subsidies under passage of this bill may have a change in circumstance that would make them ineligible for a TANF funded benefit or subject them to TANF program requirements should their child care be funded with TANF.

Approximately \$38 million each year in CCDF Maintenance of Effort (MOE) and CCDF State Matching funds are also counted toward meeting the state’s TANF MOE requirement. For purposes of this fiscal note, it is assumed that this \$38 million will be used to fund child care subsidies for families currently receiving TANF benefits. This will assure that families receiving a benefit funded with TANF MOE meet all TANF criteria.

It should be noted that in years where large child care subsidy caseloads have been experienced, significant amounts for federal TANF funds (not transferred to CCDF) were needed to support the WCCC program. In recent years, however, due to declining caseloads, there has been little or no need to use TANF funds (not transferred to CCDF) to support the WCCC program. Should it become necessary to use TANF funds to support the WCCC program, it must be ensured that families receiving TANF/TANF MOE funded child care meet TANF program requirements. This necessitates tracking the family’s income and resources as well as knowing whether the parents are employed. In this instance, funds supporting the WCCC program would have to be managed such that TANF funding is directed specifically to those families who meet the TANF program requirements. Additionally, in the event that it becomes necessary to use TANF funds to support non-working families, those families will become subject to many TANF program requirements such as time limits and work requirements.

Processing FAR clients onto the WCCC caseload is expected to require additional staff. ESA assumes that it will take 10 minutes to process a FAR family for entry to the caseload. This represents a cost of \$36,000 (0.4 FTE, Financial Services Specialist 3) in Fiscal Year 2015 to process 3,908 FAR clients. In Fiscal Year 2016 and beyond this represents a cost of \$75,000 (1 FTE, Financial Services Specialist 3) to process 9,846 clients each year.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.5	14.6	7.6	45.1	48.0
A-Salaries and Wages	21,000	703,000	724,000	4,245,000	4,526,000
B-Employee Benefits	9,000	285,000	294,000	1,662,000	1,760,000
C-Professional Service Contracts					
E-Goods and Other Services	8,000	201,000	209,000	1,239,000	1,320,000
G-Travel		5,000	5,000	31,000	34,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	71,000	10,264,000	10,335,000	45,713,000	48,244,000
P-Debt Service		4,000	4,000	27,000	28,000
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		22,000	22,000	134,000	142,000
9-					
Total:	\$109,000	\$11,484,000	\$11,593,000	\$53,051,000	\$56,054,000

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 Service Specialist 3			1.1	0.6	9.7	9.7
Social Service Specialist 3		0.5	13.5	7.0	35.4	38.3
Total FTE's		0.5	14.6	7.6	45.1	48.0

III. C - Expenditures By Program (optional)

Program	FY 2014	FY 2015	2013-15	2015-17	2017-19
Children's Administration (010)	109,000	11,382,000	11,491,000	51,565,000	54,568,000
Economic Services Administration (060)		102,000	102,000	1,486,000	1,486,000
Total \$	109,000	11,484,000	11,593,000	53,051,000	56,054,000

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.

DSHS Children's Administration, SB 6538 - Child Welfare Child Care and Working Connections Child Care, Assumption Calculations

FISCAL YEAR 2014 (May-June)

Section 1.1 of SB 6538

	Value
# of screened-in CPS intakes that would be FAR Families	228
% of FAR families that would accept CPS child care	60%
# of FAR families that would accept CPS child care	137
Estimated number of children per FAR family	2.5
Estimated number of children in FAR families opting into CPS child care	342

Monthly per cap for children in CPS child care	\$381
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10% of FAR kids that opt into using CPS child care will use it for 1 month	34
Associated Cost	\$13,033.38

60% of FAR kids that opt into using CPS child care will use it for 2 months	205
Associated Cost	\$156,401

30% of FAR families that opt into using CPS child care will use it for 3 months	0
Associated Cost	\$0

Cost of FAR child care (safety and well-being)	\$169,434
Current funding for CPS child care (PI A1481)	\$907,536
Estimated % of current CPS child care funding being used on FAR eligible families	65%
Current funding for CPS child care on families that will be FAR eligible	\$98,316

Unfunded cost of FAR child care (for well-being)	\$71,118
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Section 1.2 and 1.3 of SB 6538

# of screened-in CPS intakes that would be FAR (ENTRY)	228
Estimated increase in staff hours per case to assess for child care rating	0.5
Total increase in staff hours per year	114
Hours available per staff (138 per month)*	1,656
New FTE need (SW3)	0.07
Additional SW4 needed (one per eight SW3):	0.01
Additional AA3 needed (one per six SW3):	0.01

New FTE cost	\$8,000
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Section 1.6a of SB 6538

# of screened-in CPS intakes that would be FAR (EXIT)	228
Estimated increase in staff hours per case to assist with successful enrollment	1.5
Total increase in staff hours per year	342
Hours available per staff (138 per month)*	1,656
New FTE need (SW3)	0.21
Additional SW4 needed (one per eight SW3):	0.03
Additional AA3 needed (one per six SW3):	0.03

New FTE cost	\$22,000
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Section 1.6b of SB 6538

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Staffing costs associated with increased FAMLINK data entry

# of screened-in CPS intakes that would be FAR (EXIT)	228
Estimated increase in staff hours per case	0.5
Total increase in staff hours per year	114
Hours available per staff (138 per month)*	1,656
New FTE need (SW3)	0.07
Additional SW4 needed (one per eight SW3):	0.01
Additional AA3 needed (one per six SW3):	0.01

New FTE cost	\$8,000
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Total Costs Per Year

FY14 Total Cost	\$109,118
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DSHS Children's Administration, SB 6538 - Child Welfare Child Care and Working Connections Child Care, Assumption Calculations

FISCAL YEAR 2015

Section 1.1 of SB 6538

	Value
# of screened-in CPS intakes that would be FAR Families	8,632
% of FAR families that would accept CPS child care	60%
# of FAR families that would accept CPS child care	5,179
Estimated number of children per FAR family	2.5
Estimated number of children in FAR families opting into CPS child care	12,948

Monthly per cap for children in CPS child care	\$381
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10% of FAR kids that opt into using CPS child care will use it for 1 month Associated Cost	1,295 \$493,355
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60% of FAR kids that opt into using CPS child care will use it for 2 months Associated Cost	7,769 \$5,920,255
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30% of FAR families that opt into using CPS child care will use it for 3 months Associated Cost	3,884 \$4,440,191
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Cost of FAR child care (safety and well-being)	\$10,853,801
Current funding for CPS child care (PI A1481)	\$907,536
Estimated % of current CPS child care funding being used on FAR eligible families	65%
Current funding for CPS child care on families that will be FAR eligible	\$589,898.62

Unfunded cost of FAR child care (for well-being)	\$10,263,902
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Section 1.2 and 1.3 of SB 6538

# of screened-in CPS intakes that would be FAR (ENTRY)	8,632
Estimated increase in staff hours per case to assess for child care rating	0.5
Total increase in staff hours per year	4,316
Hours available per staff (138 per month)*	1,656
New FTE need (SW3)	2.61
Additional SW4 needed (one per eight SW3):	0.33
Additional AA3 needed (one per six SW3):	0.43

New FTE cost	\$278,000
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Section 1.6a of SB 6538

# of screened-in CPS intakes that would be FAR (EXIT)	6,513
Estimated increase in staff hours per case to assist with successful enrollment	1.5
Total increase in staff hours per year	9,769
Hours available per staff (138 per month)*	1,656
New FTE need (SW3)	5.90
Additional SW4 needed (one per eight SW3):	0.74
Additional AA3 needed (one per six SW3):	0.98

New FTE cost	\$629,000
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Section 1.6b of SB 6538

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Staffing costs associated with increased FAMILINK data entry

# of screened-in CPS intakes that would be FAR (EXIT)	6,513
Estimated increase in staff hours per case	0.5
Total increase in staff hours per year	3,256
Hours available per staff (138 per month)*	1,656
New FTE need (SW3)	1.97
Additional SW4 needed (one per eight SW3):	0.25
Additional AA3 needed (one per six SW3):	0.33

New FTE cost	\$211,000
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Total Costs Per Year

FY15 Total Cost	\$11,381,902
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DSHS Children's Administration, SB 6538 - Child Welfare Child Care and Working Connections Child Care, Assumption Calculations

FISCAL YEAR 2016

Section 1.1 of SB 6538

	Value
# of screened-in CPS intakes that would be FAR Families	17,641
% of FAR families that would accept CPS child care	60%
# of FAR families that would accept CPS child care	10,585
Estimated number of children per FAR family	2.5
Estimated number of children in FAR families opting into CPS child care	26,461

Monthly per cap for children in CPS child care	\$381
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10% of FAR kids that opt into using CPS child care will use it for 1 month Associated Cost	2,646 \$1,008,235
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60% of FAR kids that opt into using CPS child care will use it for 2 months Associated Cost	15,877 \$12,098,824
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30% of FAR families that opt into using CPS child care will use it for 3 months Associated Cost	7,938 \$9,074,118
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Cost of FAR child care (safety and well-being)	\$22,181,178
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Current funding for CPS child care (PI A1481)	\$907,536
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Estimated % of current CPS child care funding being used on FAR eligible families	65%
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Current funding for CPS child care on families that will be FAR eligible	\$589,898.62
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Unfunded cost of FAR child care (for well-being)	\$21,591,279
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Section 1.2 and 1.3 of SB 6538

# of screened-in CPS intakes that would be FAR (ENTRY)	17,641
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Estimated increase in staff hours per case to assess for child care rating	0.5
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Total increase in staff hours per year	8,820
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Hours available per staff (138 per month)*	1,656
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New FTE need (SW3)	5.33
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Additional SW4 needed (one per eight SW3):	0.67
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Additional AA3 needed (one per six SW3):	0.89
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New FTE cost	\$569,000
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Section 1.6a of SB 6538

# of screened-in CPS intakes that would be FAR (EXIT)	16,408
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Estimated increase in staff hours per case to assist with successful enrollment	1.5
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Total increase in staff hours per year	24,612
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Hours available per staff (138 per month)*	1,656
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New FTE need (SW3)	14.86
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Additional SW4 needed (one per eight SW3):	1.86
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Additional AA3 needed (one per six SW3):	2.48
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New FTE cost	\$1,591,000
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Section 1.6b of SB 6538

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Staffing costs associated with increased FAMLINK data entry

# of screened-in CPS intakes that would be FAR (EXIT)	16,408
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Estimated increase in staff hours per case	0.5
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Total increase in staff hours per year	8,204
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Hours available per staff (138 per month)*	1,656
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New FTE need (SW3)	4.95
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Additional SW4 needed (one per eight SW3):	0.62
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Additional AA3 needed (one per six SW3):	0.83
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New FTE cost	\$530,000
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Total Costs Per Year

FY16 Total Cost	\$24,281,279
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DSHS Children's Administration, SB 6538 - Child Welfare Child Care and Working Connections Child Care, Assumption Calculations

FISCAL YEAR 2017 and each FY thereafter

Section 1.1 of SB 6538

	Value
# of screened-in CPS intakes that would be FAR Families	19,653
% of FAR families that would accept CPS child care	60%
# of FAR families that would accept CPS child care	11,792
Estimated number of children per FAR family	2.5
Estimated number of children in FAR families opting into CPS child care	29,480

Monthly per cap for children in CPS child care	\$381
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10% of FAR kids that opt into using CPS child care will use it for 1 month Associated Cost	2,948 \$1,123,248
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60% of FAR kids that opt into using CPS child care will use it for 2 months Associated Cost	17,688 \$13,478,975
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30% of FAR families that opt into using CPS child care will use it for 3 months Associated Cost	8,844 \$10,109,231
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Cost of FAR child care (safety and well-being)	\$24,711,454
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Current funding for CPS child care (PI A1481)	\$907,536
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Estimated % of current CPS child care funding being used on FAR eligible families	65%
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Current funding for CPS child care on families that will be FAR eligible	\$589,898.62
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Unfunded cost of FAR child care (for well-being)	\$24,121,555
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Section 1.2 and 1.3 of SB 6538

# of screened-in CPS intakes that would be FAR (ENTRY)	19,653
Estimated increase in staff hours per case to assess for child care rating	0.5
Total increase in staff hours per year	9,827
Hours available per staff (138 per month)*	1,656
New FTE need (SW3)	5.93
Additional SW4 needed (one per eight SW3):	0.74
Additional AA3 needed (one per six SW3):	0.99

New FTE cost	\$631,000
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Section 1.6a of SB 6538

# of screened-in CPS intakes that would be FAR (EXIT)	19,653
Estimated increase in staff hours per case to assist with successful enrollment	1.5
Total increase in staff hours per year	29,480
Hours available per staff (138 per month)*	1,656
New FTE need (SW3)	17.80
Additional SW4 needed (one per eight SW3):	2.23
Additional AA3 needed (one per six SW3):	2.97

New FTE cost	\$1,900,000
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Section 1.6b of SB 6538

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Staffing costs associated with increased FAMLINK data entry

# of screened-in CPS intakes that would be FAR (EXIT)	19,653
Estimated increase in staff hours per case	0.5
Total increase in staff hours per year	9,827
Hours available per staff (138 per month)*	1,656
New FTE need (SW3)	5.93
Additional SW4 needed (one per eight SW3):	0.74
Additional AA3 needed (one per six SW3):	0.99

New FTE cost	\$631,000
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Total Costs Per Year

FY17 Total Cost and each FY thereafter	\$27,283,555
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Department of Social and Health Services

Fiscal Note - SB 6538

1. Screen Applications for Entry to the Waitlist

1. It is assumed that once the limit on enrollment is reached, all non-TANF applications for WCCC will need to be screened for placement on the waitlist. During Fiscal Year 2013, 75% of the WCCC caseload caseload was comprised of non-TANF cases and 25% was TANF cases.

2. During Fiscal Year 2013, 108,326 applications for WCCC were processed. It is estimated that 75% (81,245) of these applications were for non-TANF cases. It is estimated that it will take 3 minutes to screen each of these applications for placement on the waitlist.

Screen Applications for Entry to Waitlist Staffing Impacts	SFY 2015	SFY 2016
Number of non-TANF applications	81,245	81,245
Estimated time to screen (minutes)	3	3
Estimated hours to screen for waitlist	4,062	4,062
Estimated hours per FTE	1,656	1,656
Estimated FTE's needed to process client	0.51	2.45

2. Identify and Contact Client on Waitlist - For Entry to WCCC Caseload

		OFM Forecast			HB 2519	Projected	Over
		TANF	Non-TANF	Total	Additions*	Caseload	Cap
SFY 15	Jul-14	6,212	22,052	28,264	328	28,592	
	Aug-14	6,182	22,347	28,530	410	28,939	
	Sep-14	6,297	22,987	29,284	571	29,855	
	Oct-14	6,365	23,324	29,690	772	30,462	
	Nov-14	6,257	23,081	29,338	993	30,332	
	Dec-14	6,003	22,522	28,525	1,337	29,861	
	Jan-15	6,068	22,422	28,491	1,740	30,231	
	Feb-15	6,190	22,449	28,639	2,150	30,789	
	Mar-15	6,406	22,673	29,079	2,592	31,671	
	Apr-15	6,563	23,051	29,614	3,068	32,681	(319)
	May-15	6,569	23,431	30,001	3,569	33,570	570
	Jun-15	6,589	24,177	30,766	4,167	34,933	1,933
SFY 16	Jul-15	6,084	23,007	29,091	4,814	33,905	905
	Aug-15	5,986	23,256	29,242	5,470	34,712	1,712
	Sep-15	6,024	23,841	29,865	6,185	36,051	3,051
	Oct-15	6,050	24,144	30,194	6,930	37,124	4,124
	Nov-15	5,926	23,858	29,784	7,682	37,465	4,465
	Dec-15	5,674	23,251	28,925	8,478	37,403	4,403
	Jan-16	5,729	23,116	28,845	9,296	38,141	5,141
	Feb-16	5,844	23,120	28,964	10,131	39,095	6,095
	Mar-16	6,051	23,323	29,374	11,065	40,439	7,439
	Apr-16	6,195	23,683	29,878	12,048	41,926	8,926
	May-16	6,201	24,050	30,250	13,031	43,281	10,281
	Jun-16	6,220	24,786	31,006	14,013	45,019	12,019

* Assumptions from fiscal note prepared by the Department of Early Learning. Assumes all Family Assessment Response families will continue to receive WCCC subsidies after eligibility determination is made for 12 months after the Family Assessment Response case is closed.

Department of Social and Health Services
Fiscal Note - SB 6538

Screen & Process Client Waitlist Staffing Impacts	SFY 15	SFY 16
Estimate of cases leaving the waitlist	0	0
Estimate time to process (minutes)	17	17
Total hours to process client from waitlist	0	0
Estimated hours per FTE	1,656	1,656
Estimated FTE's needed to process client	0.00	0.00

It is assumed that once a waitlist is established, every client on the waitlist will contact the call center three times per month. This assumption is built on DSHS's prior experience of maintaining a child care waitlist. It is assumed that each of these calls will require 3 minutes.

Respond to Calls from Clients on the Waitlist	SFY 15	SFY 16
Annual Wait List Total	2,503	68,561
3 Calls Per Months	7,509	205,682
3 Minutes Per Call	22,527	617,047
Total Hours of Work	375	10,284
Monthly FTE Hours	1,656	1,656
Total FTE Impact	0.23	6.21

3. Enroll Family Assessment Response Families into WCCC

1. It is assumed that 60% of FAR exits will chose to enroll in WCCC each month.
2. During SFY 2015, there were a total of 3,908 cases (60% of the total FAR cases) that will choose to enroll in WCCC.
3. During SFY 2016, there were a total of 9,846 cases (60% of the total FAR case) that will choose to enroll in WCCC.
4. Estimated time (minutes) that it takes to process the application. 10

Enroll Family in WCCC Staffing Impacts	SFY 15	SFY 16
Estimate of cases entering WCCC (60% of FAR exits)	3,908	9,846
Estimate time to process application (minutes)	10	10
Total hours to process FAR applications	651	1,641
Estimated hours per FTE	1,656	1,656
Estimated FTE's needed to process client	0.39	0.99

Total Staffing Impacts	SFY 2015	SFY 2015
1. Screen applications to the wait list	0.51	2.45
2. Waitlist Related Costs	0.23	6.21
3. Enroll family in WCCC staffing impact	0.39	0.99
Total FTEs	1.13	9.65

Individual State Agency Fiscal Note

Revised

Bill Number: 6538 SB	Title: Early ed/children in welfare	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
Account					
General Fund-State 001-1	0	14,009,352	14,009,352	57,915,554	63,823,375
Total \$	0	14,009,352	14,009,352	57,915,554	63,823,375

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: Katherine Taylor	Phone: 360-786-7434	Date: 02/04/2014
Agency Preparation: John Rich	Phone: 360 725-4513	Date: 03/11/2014
Agency Approval: John Rich	Phone: 360 725-4513	Date: 03/11/2014
OFM Review: Danielle Cruver	Phone: (360) 902-0575	Date: 03/12/2014

Request # 14-021-2

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.

New Section 2 states that children who received family assessment response (FAR) services are eligible for Working Connections Child Care (WCCC) for a twelve month enrollment period and may not be deemed ineligible due to any change in circumstance. Parents or caregivers must re-determine eligibility for WCCC after twelve months from the time the family assessment response case closed.

Section 3 (5) defines an eligible child for purposes of the Early Childhood Education and Assistance Program (ECEAP) as children involved in the child welfare system. This section also strikes “in foster care” and adds “children involved in the child welfare system” to the list of priorities for enrollment.

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.

New Section 2:

FY15 \$13,471,243
FY16 \$28,480,994
FY17 \$26,751,594
FY18 \$28,239,431
FY19 \$30,756,121

Children’s Administration (CA) forecasts the number of families that will be eligible to receive Working Connections Child Care (WCCC) when their FAR services terminate. This average is 3,908 families (6,513 families on FAR x 60% to transition to WCCC = 3,908) for FY 15. For FY 16, the average is 9,845 families (16,408 families on FAR x 60% to transition to WCCC = 9,845). The Office of Financial Management (OFM) forecasts how many families will be paid during each month for WCCC and the average number of families forecasted for FY15 is 30,748. The number of additional families to use WCCC benefits is calculated to be 3,908. Based upon information from CA, it is assumed the 3,908 will be phased in during FY 15 beginning with 259.8 families immediately in July 2014 with added families per month as follows:

July 2014: 68.4 families
August 2014: 81.6 families
September 2014: 161.4 families
October 2014: 201 families
November 2014: 221.4 families

December 2014: 343.2 families
January 2015: 403.8 families
February 2015: 409.2 families
March 2015: 442.2 families
April 2015: 475.8 families
May 2015: 501.6 families
June 2015: 598.2 families

This results in a total of 21,699 additional family months.

It is assumed the cost of WCCC benefits per month is \$701.81 per family based upon OFM data. OFM bases this upon 1.7 children per family. Therefore, the total FY15 impact for additional FAR families is \$15,228,575 ($21,699 \times \$701.81 = \$15,228,575$).

Information from CA for FY 16 shows 9,844.92 families to be added to WCCC benefits. The families for FY 16 are to be phased in per month as follows:

July 2015: 646.2 families
August 2015: 656.4 families
September 2015: 715.2 families
October 2015: 744.6 families
November 2015: 751.8 families
December 2015: 796.2 families
January 2016: 818.4 families
February 2016: 835.2 families
March 2016: 933.6 families
April 2016: 982.8 families
May 2016: 982.8 families
June 2016: 982.8 families.

This results in 107,576.2 additional family months.

The total FY16 impact for additional FAR families added to WCCC benefits is \$75,498,053 ($107,576.2 \times \$701.81 = \$75,498,053$)

WCCC has a budget target or budget cap of 33,000 and is currently appropriated by caseload forecast. OFM has forecast the following WCCC families for FY15:

July 2014: 28,264
August 2014: 28,530
September 2014: 29,284
October 2014: 29,690
November 2014: 29,338
December 2014: 28,525
January 2015: 28,491
February 2015: 28,639

March 2015: 29,079
April 2015: 29,614
May 2015: 30,001
June 2015: 30,766

Starting in May 2015 and continuing through the end of the fiscal year, it is estimated the 33,000 budgetary cap will be exceeded by 2,504 family months, as follows:

May 2015: 570 family months over cap ($33,570 - 33,000 = 570$)
June 2015: 1,934 family months over cap ($34,934 - 33,000 = 1,934$)

The above expenditures are calculated without accounting for the budget cap. Assuming the cap is in place, these expenditures are reduced to the extent that the cap is exceeded.

For FY15, the total overage is calculated to be the number of family months to be paid over the 33,000 budgetary cap, a total of \$1,757,332 ($2,504 \times \$701.81 = \$1,757,332$). Assuming that FAR families will be participating in WCCC benefits as a priority group, this will reduce the expenditures for FY15 by \$1,757,332, as a waiting list may be enacted for families to prevent going over the budgetary cap. This would reduce expenditures to \$13,471,243 ($\$15,228,575 - \$1,757,332 = \$13,471,243$).

For FY16, OFM forecasts the families using WCCC benefits to average 29,618. The total number of additional families is calculated to be 9,844.92 to be phased in over the 12 months, which equates to 107,576.2 family months. The fiscal impact of the additional family months phased in is \$75,498,053 ($107,576.2 \times \$701.81 = \$75,498,053$).

To remain under the budgetary cap, additional families in FY16 cannot exceed 33,000. This will add 66,994 family months in excess of the budgetary cap. The fiscal impact of this overage is \$47,017,059. ($66,994 \text{ family months} \times \$701.81 = \$47,017,059$). Assuming that FAR families will be participating in WCCC benefits as a priority group, this will reduce the expenditures for FY16 by \$47,017,059, as a waiting list may be enacted for families to prevent going over the budgetary cap. This would reduce expenditures to \$28,480,994 ($\$75,498,053 - \$47,017,059 = \$28,480,994$).

For FY17, OFM forecasts the families using WCCC benefits to average 29,823. 158,752 additional family months would be added. The fiscal impact for FY17 is \$111,413,741 ($158,752 \times \$701.81 = \$111,413,741$).

To remain under the budgetary cap, additional families in FY17 cannot exceed 33,000. This will add 120,634 family months over the budgetary cap. The fiscal impact of this overage is \$84,662,148 ($120,634 \text{ family months} \times \$701.81 = \$84,662,148$). Assuming that FAR families will be participating in WCCC benefits as a priority group, this will reduce the expenditures for FY17 by \$84,662,148, as a waiting list may be enacted for families to prevent going over the budgetary cap. This would reduce expenditures to \$26,751,594 ($\$111,413,741 - \$84,662,148 = \$26,751,594$).

The number of WCCC families for FY 18 and FY19 are assumed to be the same and therefore have the same fiscal impact.

For FY18, OFM forecasts the families using WCCC benefits to average 29,647. 158,752 additional family

months would be added. The fiscal impact for FY17 is \$111,413,741 ($158,752 \times \$701.81 = \$111,413,741$).

To remain under the budgetary cap, additional families in FY18 cannot exceed 33,000. This will add 118,514 family months. The fiscal impact of this overage is \$83,174,310 ($118,514 \text{ families} \times 701.81 = \$83,174,310$). Assuming that FAR families will be participating in WCCC benefits as a priority group, this will reduce the expenditures for FY18 by \$83,174,310, as a waiting list may be enacted for families to prevent going over the budgetary cap. This would reduce expenditures to \$28,239,431 ($\$111,413,741 - \$83,174,310 = \$28,239,431$).

For FY19, OFM forecasts the families using WCCC benefits to average 29,348. 158,752 additional family months would be added. The fiscal impact for FY17 is \$111,413,741 ($158,752 \times \$701.81 = \$111,413,741$).

To remain under the budgetary cap, additional families in FY19 cannot exceed 33,000. This will add 114,928 family months in excess of the budgetary cap. This fiscal impact of this overage is \$80,657,620 ($114,928 \text{ families} \times 701.81 = \$80,657,620$). Assuming that FAR families will be participating in WCCC benefits as a priority group, this will reduce the expenditures for FY19 by \$80,657,620, as a waiting list may be enacted for families to prevent going over the budgetary cap. This would reduce expenditures to \$30,756,121 ($\$111,413,741 - \$80,657,620 = \$30,756,121$).

Section 3:

Section 3(5): The following additional expenditures are needed to expand the definition of eligible child in ECEAP and add to the priorities for enrollment children involved in the child welfare system. These costs and slots are in addition to costs associated with ECEAP expansion due to its entitlement status by 2018-19 per RCW 43.215.456. Section 3 only addresses changes to eligibility and prioritization requirements, it does not address expansion as it relates to ECEAP becoming an entitlement by FY19.

FY15: \$538,109
FY16: \$1,076,218
FY17: \$1,606,748
FY18: \$2,144,857
FY19: \$2,682,966

Total costs for slots for this expanded definition of ECEAP eligibility to reach entitlement by 2018-19, including a percentage of children over the ECEAP threshold receiving Child Protective Services (CPS) and Family Assistance Response (FAR) services, and including monitoring and quality assurance costs (salaries, benefits, goods and services and travel) are:

FY15: \$538,109
FY16: \$1,076,218
FY17: \$1,606,748
FY18: \$2,144,857
FY19: \$2,682,966

COST BREAKDOWN:

Client Service Contracts:

FY15: 71 slots x \$7,331 per slot = \$518,751
FY16: 142 slots x \$7,331 per slot = \$1,037,503
FY17: 212 slots x \$7,331 per slot = \$1,556,254
FY18: 283 slots x \$7,331 per slot = \$2,075,006
FY19: 354 slots x \$7,331 per slot = \$2,593,757

Assumptions for the client service contract expenditures:

-- The cost per slot in FY15 will increase to \$7,331. This does not include the DEL ECEAP monitoring and quality assurance costs of \$248 per slot, which bring the total cost per slot to \$7,579.

Using FY14 as a base, the slot increases listed above are calculated as follows:

1,532 children ages 3 and 4 currently served by CPS and 540 children ages 3 and 4 currently served by FAR for a total of 2,072 total for FY 14.

76 percent of children ages 3 and 4 in Washington are involved in the child welfare system are already income-eligible for ECEAP. Therefore, DEL assumes 24 percent of the 2,072 would be new ECEAP slots. ($0.24 * 2,072 = 498$). DEL assumes that half of this number are 3 year olds and half are 4 year olds, or 249 per age cohort.

--Assuming 57 percent of families of 3 year olds will choose to enroll - ($0.57 * 249 = 142$)

--Assuming 80 percent of families of 4 year olds will choose to enroll - ($0.80 * 249 = 199$)

The total new eligible children in FY14 who DEL assumes would enroll = 341. DEL applied the rate of population increases for 3 and 4 year olds as forecasted by OFM (approximately 1 percent per year), to this number to determine the 354 new slots needed by FY19, when ECEAP becomes an entitlement per RCW 43.215.456. The expenditures assume equal, incremental expansion of 71 slots per fiscal year to reach the estimated number of additional eligible children in FY19 under the new definitions in this bill. The 354 slots are not the total amount of new slots needed to reach entitlement by FY19, they are only the number related to the expansion of the ECEAP eligibility and prioritization definitions in this bill.

The remaining costs in this section, including personal services contracts, salary and benefits, goods and services, travel and equipment are calculated to reach the ECEAP monitoring and quality assurance costs of \$248 per slot.

Personal Service Contracts:

FY15: A one-time expenditure in FY15 of \$10,000 for Early Learning Management System (ELMS) development. It is assumed that ELMS system development will be required to reflect the child welfare eligibility change. The time required is estimated at 80 hours at a rate of \$125 per hour for a total of \$10,000 ($80 \times \$125 = \$10,000$).

FY16: \$24,859 for targeted professional development for ECEAP contractors on eligibility, health and developmental screenings, child assessment, curriculum, individualized instruction and family support.

FY17: \$28,240 for targeted professional development for ECEAP contractors on eligibility and child assessment.

FY18: \$31,669 for targeted professional development for ECEAP contractors on eligibility and child assessment.
 FY19: \$35,098 for targeted professional development for ECEAP contractors on eligibility and child assessment.

The professional development costs listed above are based on an average training cost of \$4,025 per 25 teachers and an implementation fee of \$9,000 per year.

Goods and Services:

FY15: \$4,710 for child assessment and ELMS costs.
 FY16: \$5,420 for child assessment and ELMS costs.
 FY17: \$6,120 for child assessment and ELMS costs.
 FY18: \$17,386 for child assessment, curriculum and ELMS costs.
 FY 19: \$27,963 for child assessment, curriculum and ELMS costs.

The child assessment costs are calculated at the current rate of \$10 per child. ELMS data storage and backup costs are calculated at the rate of an additional \$4,000 each fiscal year. In FY18 and 19 additional good and services include child assessment and curriculum materials.

Travel:

FY15: \$4,648
 FY16: \$8,436
 FY17: \$16,134
 FY18: \$20,796
 FY19: \$26,148

Travel costs above are for DEL staff to conduct training and technical assistance on the new eligibility and prioritization requirements, intensive on-site program reviews and other necessary travel.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts		10,000	10,000	53,099	66,767
E-Goods and Other Services		4,710	4,710	11,540	45,349
G-Travel		4,648	4,648	24,570	46,944
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		13,989,994	13,989,994	57,826,345	63,664,315
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$14,009,352	\$14,009,352	\$57,915,554	\$63,823,375

Part IV: Capital Budget Impact

NONE

Request # 14-021-2

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.

Sections 2 and 3 would require revisions to the Washington Administrative Code. These revisions would be accomplished within existing agency resources.