

Multiple Agency Fiscal Note Summary

Bill Number: 5098 SB	Title: Child care reporting
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Estimated Cash Receipts

NONE

Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Social and Health Services	(3.5)	(533,000)	(533,000)	(3.1)	(486,000)	(486,000)	(3.1)	(486,000)	(486,000)
Department of Early Learning	.0	45,598,560	45,598,560	.0	33,523,680	33,523,680	.0	30,632,064	30,632,064
Total	(3.5)	\$45,065,560	\$45,065,560	(3.1)	\$33,037,680	\$33,037,680	(3.1)	\$30,146,064	\$30,146,064

Estimated Capital Budget Impact

NONE

Prepared by: Rayanna Williams, OFM	Phone: (360) 902-0553	Date Published: Final 2/ 3/2015
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

ENPID: 39000

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Revised

Bill Number: 5098 SB	Title: Child care reporting	Agency: 300-Dept of Social and Health Services
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	(3.9)	(3.1)	(3.5)	(3.1)	(3.1)
Account					
General Fund-State 001-1	(290,000)	(243,000)	(533,000)	(486,000)	(486,000)
Total \$	(290,000)	(243,000)	(533,000)	(486,000)	(486,000)

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: Ailey Kato	Phone: 786-7434	Date: 01/19/2015
Agency Preparation: Wendy Polzin	Phone: 360-902-8067	Date: 02/03/2015
Agency Approval: Mickie Coates	Phone: 360-902-8077	Date: 02/03/2015
OFM Review: Rayanna Williams	Phone: (360) 902-0553	Date: 02/03/2015

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 - A child is eligible for Working Connections Child Care (WCCC) for a 12 month enrollment and may not be deemed ineligible for any change in circumstance.

Section 2 – Removes requirement that the applicant or recipient of WCCC benefits notify the Department of Social and Health Services (DSHS) about any significant change in child care hours needed, cost sharing, or eligibility.

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 WCCC program is funded with federal block grant funds. As such, it is assumed that any change in costs incurred due to passage of this bill will impact GF-State funds.

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 any expected change in child care subsidy costs under passage of this bill is included in the fiscal note prepared by the Department of Early Learning (DEL). Therefore, this fiscal note for DSHS does not include any assumptions or estimates related to the potential fiscal impact to child care subsidy costs. It is also assumed that the DEL fiscal note will address any issues related to the use of federal Child Care Development Fund (CCDF) block grant funds under passage of this bill. Therefore, this fiscal note addresses solely the impact of this bill on DSHS staff time required to administer child care subsidy eligibility determination, authorization and WCCC waitlist management.

Please see 15 SB 5098 Attachment 1 for assumptions and detail on the fiscal estimates discussed below.

Sections 1 and 2 –Twelve Month Eligibility and Reporting Requirements

Reduced terminations, reapplications and reauthorization: Passage of this bill will decrease the number of WCCC cases which are terminated due to no longer meeting eligibility criteria. DEL calculates 39,212 cases terminate annually and that half of these terminated cases (19,606) currently reapply for benefits within two months, once their circumstances change and they are again eligible for benefits. Staff savings are assumed from no longer needing to process terminations, reapplications and reauthorizations for these cases. It is estimated that 19,606 cases that would have terminated and received reauthorization within two months, would remain on the caseload. It is estimated that 41 minutes of staff time would be saved on each of these cases (31 minutes for a reapplication or reauthorization and 10 minutes for a termination).

While the bill does remove the statutory requirement for clients to report changes in circumstance, it is assumed that some clients will still call with changes that will necessitate a positive change to their child care authorization (e.g., an increase in hours of care authorized or a decrease in co-pay). It is assumed that 9,803 will still report a change in status. Eight minutes of staff time is needed to process a change in status. Therefore, a net

savings from not terminating and processing a reapplication or reauthorization for these cases, and only processing a change in status is estimated at 33 minutes per case. The reduced workload, due to fewer terminations, reapplications and reauthorizations, represents a staff savings 7.8 FTEs (Financial Services Specialist 3) per year.

In addition, DEL assumes that 25 percent of all cases that would have terminated and not reapplied (9,803) under the bill will remain on the caseload for two additional months. This change is assumed to save 0.2 FTEs (Financial Services Specialist 3) in Fiscal Year 2016. Savings are assumed in the first year for the delay in processing terminations.

New workload related to maintaining a WCCC waitlist: Enrollment in WCCC is limited to 33,000 families. DEL projects that passage of this bill will result in the demand for child care subsidies to exceed the limit on enrollment beginning in August 2015. This will necessitate the institution of a “waitlist” of clients seeking child care subsidies. It is assumed that DSHS will manage this wait list. Management includes educating clients about the waitlist, placing cases on the wait list, contacting them when a slot opens up, and responding to inquiries about status.

It is assumed that the Barcode system, which includes the Washington Childcare Application Program (WCAP), will require programming changes to allow for an electronic method to track available space on the caseload and to track cases on the waitlist. The necessary programming changes are estimated to require 0.2 FTE (IT Specialist 5) in Fiscal Year 2016 only.

Screen for placement on waitlist: It is assumed that eligibility will be determined by DSHS eligibility staff prior to placement on the waitlist. Only non-Temporary Assistance for Needy Families (TANF) cases above the 33,000 cap will be placed on the waitlist.

When a waitlist is instituted, certain clients are given prioritization onto the WCCC caseload, including TANF clients, cases with special needs children, or a teen parent. It is assumed that of the 68,085 applications approved in Fiscal Year 2014, 19,606 would no longer leave the caseload and return within two months, leaving 48,479 cases that would need to be screened for prioritization. It is assumed that prioritization screening will require two minutes of staff time. This would drive a workload of 1 FTE (Financial Services Specialist 3) each fiscal year.

It is estimated that, on average, it takes three minutes of staff time to inform clients that while they are eligible for WCCC, there is a waitlist and educate them on how it operates. It is estimated that approximately 20,378 cases will need to be screened for the waitlist in Fiscal Year 2016 and 25,892 in Fiscal Year 2017. This represents a staff cost of 0.7 FTE (Financial Services Specialist 3) in Fiscal Year 2016 and 0.8 FTEs (Financial Services Specialist 3) in Fiscal Year 2017 and beyond.

Contact waitlist to enroll: Staff effort will be required to identify and contact families on the waitlist for enrollment in WCCC. This often requires contacting several families on the list as initial contacts may no longer need care or have made other arrangements for the care of their children. Letters sent to clients informing them of availability on the caseload will need to be translated into eight languages and generate a onetime cost, as well as ongoing printing and postage costs of \$2,062 in Fiscal Year 2016 and \$1,862 in Fiscal Year 2017 and beyond.

When a client has responded, it is estimated that it will take about 10 minutes to move a client from the waitlist to the caseload. It is estimated that enrollment from the waitlist will be about 1,347 in Fiscal Year 2016 and 2,909 in Fiscal Year 2017. This represents a staff cost of 0.1 FTEs (Financial Service Specialist 3) in Fiscal Year

2016 and 0.3 FTEs (Financial Service Specialists 3) in Fiscal Year 2017 and beyond.

Answering calls from waitlist: 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 2.0 FTEs (Financial Services Specialist 3) in Fiscal Year 2016 and 2.5 FTEs (Financial Services Specialist 3) in Fiscal Year 2017 and beyond.

Net fiscal impact of known costs:

Fiscal Year 2016 – a net savings of 3.9 FTEs and \$290,000

Fiscal Year 2017 and beyond – a savings of 3.1 FTEs and \$243,000

An additional assumption in this fiscal note is that child care subsidy funds used for meeting the state's Temporary Assistance for of Needy Families (TANF) Maintenance of Effort (MOE) requirement will be used solely for child care subsidies for families currently receiving TANF. Were this not the case, there would be additional costs to DSHS and families receiving subsidies but not on TANF would be subject to certain TANF requirements.

Federal laws/rules for the use of 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 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 when Washington had large child care subsidy caseloads, significant amounts of 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, DSHS must ensure 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.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	(3.9)	(3.1)	(3.5)	(3.1)	(3.1)
A-Salaries and Wages	(179,000)	(145,000)	(324,000)	(290,000)	(290,000)
B-Employee Benefits	(76,000)	(70,000)	(146,000)	(140,000)	(140,000)
C-Professional Service Contracts					
E-Goods and Other Services	(27,000)	(21,000)	(48,000)	(42,000)	(42,000)
G-Travel	(1,000)	(1,000)	(2,000)	(2,000)	(2,000)
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service	(1,000)	(1,000)	(2,000)	(2,000)	(2,000)
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	(6,000)	(5,000)	(11,000)	(10,000)	(10,000)
9-					
Total:	\$(290,000)	\$(243,000)	\$(533,000)	\$(486,000)	\$(486,000)

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 2016	FY 2017	2015-17	2017-19	2019-21
Financial Services Specialist 3	47,016	(4.1)	(3.1)	(3.6)	(3.1)	(3.1)
IT Specialist 5	76,992	0.2		0.1		
Total FTE's	124,008	(3.9)	(3.1)	(3.5)	(3.1)	(3.1)

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 will not need to adopt new or amended rules will be needed to implement this bill.

Department of Social and Health Services
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Key Assumptions:

WCCC applications processed in SFY 2014. (ESA Management Accountability and Performance Statistics (EMAPS)	104,786
WCCC applications approved in SFY 2014. (EMAPS)	68,085
Annual cases that terminate prior to 12 months on the caseload. (DEL)	39,212
Annual terminated cases that will reapply (50% of Terminations).	19,606
Estimated number of clients delaying termination for two months. (FY 2016 only) (((19,606/2)/12)*2)	1,634
Annual estimated hours per FTE.	1,560
Estimated time to screen applications for waitlist prioritization (in minutes)	2
Estimated time to describe and place applicant on waitlist (in minutes).	3
Estimated time to process a termination (in minutes).	10
Estimated time to process a change in status (in minutes).	8
Estimated time to process a reapplication or reauthorization (in minutes).	31
Estimated time to process a case from the waitlist (in minutes).	10
Average number of calls per month per case on waitlist.	3
Average length of waitlist calls (in minutes).	3
Estimated percentage of cases who will not report a status change in 12 months.*	50%
Estimated percentage of cases who will report a status changes. *	50%

1. Reduced Terminations , Reapplications and Reauthorizations

Cases which will not report a change in status

Annual number of cases which would have terminated and reauthorized.	19,606
Estimated percent of cases who will not report a change in status.	50%
Estimated number of cases who will not report a status change.	9,803
Estimated time savings from not processing a terminations and reauthorizations.	(41)
Estimated total annual hours saved from not processing terminations and reauthorizations.	(6,699)
Estimated hours per FTE.	1,560
Estimated FTEs saved from not processing terminations and reauthorizations.	(4.3)

Cases which will report a change in status

Annual number of cases that will no longer terminate.	19,606	
Estimated percent of cases who will report a change in status.	50.0%	
Estimated number of cases who will report a status change.	9,803	
Estimated net time savings from not processing a termination and reauthorization/reapplication but processing change in status.	(33)	(41 minutes to terminate/reauthorize
Estimated net total annual hours saved from not processing terminations/process change in status.	(5,392)	- 8 minutes to process change in status)
Estimated hours per FTE.	1,560	
Estimated net FTEs saved from not processing terminations/process change in status.	(3.5)	

	FTEs	
	SFY16	SFY17
Total FTE Need	(7.8)	(7.8)

Department of Social and Health Services
2015 Legislative Session
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2. Savings from Delayed Terminations (Two Months) First Year Only

Cases which will delay terminations (first year)

Annual number of cases with delayed terminations.	1,634	
Estimated time savings from delayed processing of terminations.	(10)	
Estimated total annual hours saved from delayed processing of terminations.	(272)	
Estimated hours per FTE.	1,560	
Estimated FTEs saved from not processing terminations.	(0.2)	
	FTEs	
	SFY16	SFY17
Total FTE Need	(0.2)	-

3. Waitlist Automation Upgrade

It is assumed that applications for WCCC are determined eligible prior to entry onto the waitlist. When cases are released from the wait list the initial eligibility determination and child care schedule are reinstated without review. Workers could immediately authorize a provider. In order to develop this system, it is assumed that 300 hours of programming time will be needed to upgrade WCAP to allow for automated waitlist tracking.

Total work hours.	300	
Estimated hours per FTE.	1,560	
Total FTE impact.	0.2	
	FTEs	
	SFY16	SFY17
Total FTE Need	0.2	-

ITS5

4. Identify and Screen Cases onto WCCC Waitlist

It is assumed that eligibility will be determined prior to placement on the waitlist. it is assumed that it will take 2 minutes to determine whether a client meets prioritization criteria, such as being a TANF recipient, having a special needs child, or is a teen parent.

	Annual	
WCCC application approved in SFY 2014.	68,085	
Number of applications that will no longer be processed under passage of this bill.	19,606	
Total application need be screened	48,479	
Estimated time to screen	2	
Estimated hours to screen	1,616	
Estimated hours per FTE.	1,560	
Estimated FTEs needed to process cases onto the waitlist (per year).	1.0	

Department of Social and Health Services

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It is assumed it will take 3 minutes to explain what the WCCC waitlist is, and how it operates, to clients. Only non-TANF cases above the 33,000 WCCC case cap will be processed onto the waitlist and receive the 3 minutes of additional touch time.

	OFM Forecast Total	SB 5098 - From DEL Total	Projected Caseload	Over Cap	Waitlist Change	Waitlist Reductions	New Caseload processed
Jul-15	29,442	2,450	31,892	-			
Aug-15	29,531	4,900	34,431	1,431	1,431		
Sep-15	30,162	4,900	35,062	2,062	632		
Oct-15	30,483	4,900	35,383	2,383	320		
Nov-15	30,047	4,900	34,947	1,947	(436)	436	
Dec-15	29,171	4,900	34,071	1,071	(876)	876	
Jan-16	29,136	4,900	34,036	1,036	(36)	36	
Feb-16	29,228	4,900	34,128	1,128	92		
Mar-16	29,657	4,900	34,557	1,557	429		
Apr-16	30,209	4,900	35,109	2,109	552		
May-16	30,559	4,900	35,459	2,459	350		
Jun-16	31,296	4,900	36,196	3,196	737		1,347
Jul-16	29,691	4,900	34,591	1,591	(1,605)	1,605	
Aug-16	29,767	4,900	34,667	1,667	76		
Sep-16	30,469	4,900	35,369	2,369	702		
Oct-16	30,817	4,900	35,717	2,717	347		
Nov-16	30,394	4,900	35,294	2,294	(423)	423	
Dec-16	29,515	4,900	34,415	1,415	(879)	879	
Jan-17	29,512	4,900	34,412	1,412	(3)	3	
Feb-17	29,594	4,900	34,494	1,494	82		
Mar-17	30,033	4,900	34,933	1,933	439		
Apr-17	30,621	4,900	35,521	2,521	588		
May-17	30,964	4,900	35,864	2,864	343		
Jun-17	31,715	4,900	36,615	3,615	752		2,909

Estimated cases that will be screened onto the waitlist (total cases over cap).

Estimated time to explain waitlist and place client into waitlist (in minutes).

Total hours of work.

Estimated hours per FTE.

Estimated FTEs needed to process cases onto waitlist.

SFY 16	SFY 17
20,378	25,892
3	3
1,019	1,295
1,560	1,560
0.7	0.8

Total FTE Need	FTEs	
	SFY16	SFY17
	1.7	1.9

Department of Social and Health Services

2015 Legislative Session

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5. Identify and Contact Cases on Waitlist - For Entry to WCCC Caseload (Processing cases from waitlist)

It is assumed that a letter will be sent to clients to inform them when they are eligible to move off the waitlist. This letter will need to be provided in 8 languages. The translation of letter is a one time cost of \$1,200. The average mailing cost for one letter is \$0.64, and is an ongoing cost.

	SFY16	SFY17
Total number of letters to be sent.	1,347	2,909
Printing cost per letter.	\$ 0.64	\$ 0.64
Total increased printing cost.	\$ 862	\$ 1,862
Translation cost.	\$ 1,200	
Total.	\$ 2,062	\$ 1,862

It is assumed that 10 minutes of staff time is required to process each case that leaves the waitlist and moves onto the caseload. 1,347 cases are expected to leave the waitlist in Fiscal Year 2016 and 2,909 cases are expected to leave the waitlist in Fiscal Year 2017 and beyond.

	SFY16	SFY17
Estimate of cases leaving the waitlist.	1,347	2,909
Estimate time to process cases from waitlist (in minutes).	10	10
Total hours to process cases from waitlist.	225	485
Estimated hours per FTE.	1,560	1,560
Estimated FTEs needed to process cases from waitlist.	0.1	0.3

	SFY16	SFY17
Total FTE Need	0.1	0.3

6. Answering Calls From Cases on the Waitlist

It is assumed that once a waitlist is established, every case 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.

	FTEs	
	SFY16	SFY17
Annual waitlist total.	20,378	25,892
3 calls per month.	61,133	77,675
3 minutes per call.	183,399	233,025
Total hours of work.	3,057	3,884
Estimated hours per FTE.	1,560	1,560
Total FTE impact.	2.0	2.5

	FTEs	
	SFY16	SFY17
Total FTE Need	2.0	2.5

Department of Social and Health Services
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	FTEs	
	SFY16	SFY17
1. Reduced Terminations , Reapplications and Reauthorizations	(7.8)	(7.8)
2. Savings from Delayed Terminations (Two Months) First Year Only	(0.2)	-
3. Waitlist Automation Upgrade	0.2	-
4. Identify and Screen Cases onto WCCC Waitlist	1.7	1.9
5. Identify and Contact Cases on Waitlist - For Entry to WCCC Caseload (Processing cases from waitlist)	0.1	0.3
6. Answering Calls From Cases on the Waitlist	2.0	2.5
Total FTE Need	(3.9)	(3.1)
Financial Service Specialist 3	(4.1)	(3.1)
ITSS	0.2	

Individual State Agency Fiscal Note

Bill Number: 5098 SB	Title: Child care reporting	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 2016	FY 2017	2015-17	2017-19	2019-21
Account					
General Fund-State 001-1	23,816,112	21,782,448	45,598,560	33,523,680	30,632,064
Total \$	23,816,112	21,782,448	45,598,560	33,523,680	30,632,064

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: Ailey Kato	Phone: 786-7434	Date: 01/19/2015
Agency Preparation: Beverly Yokoyama	Phone: 360-725-4902	Date: 01/20/2015
Agency Approval: Mike Steenhout	Phone: (360) 725-4920	Date: 01/20/2015
OFM Review: Rayanna Williams	Phone: (360) 902-0553	Date: 01/20/2015

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(2) removes language stating that 12 month authorizations are subject to reauthorization necessitated by a change in circumstances.

Section 2(2) removes language requiring consumers to notify the Department of Social and Health Services (DSHS) within ten days about any significant change related to the number of child care hours needed, cost sharing, or eligibility.

The combined effect of these changes is that a child eligible for Working Connections Child Care (WCCC) program may not be deemed ineligible during the twelve-month eligibility period due to a change in circumstances.

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.

Sections 1(2):

Grants, Benefits and Client Service Contracts (child care subsidy payments):

FY 16: \$23,816,112
FY 17: \$21,782,448
FY 18: \$18,517,464
FY 19: \$15,006,216
FY 20: \$15,316,032
FY 21: \$15,316,032

The above grants, benefits and client service contract (child care subsidy payments) totals are calculated as follows:

WCCC has a budgetary cap of 33,000 families and the caseload forecast is updated three times per year. This fiscal note is based upon the November 2014 WCCC forecast.

In FY 2014 there were 39,212 family terminations in the WCCC program, or an average of 3,267 per month. We assume families will continue to be terminated at this same rate. Of the families terminated, we assume 50 percent reapplied for WCCC benefits, were determined eligible, and started receiving benefits again within an average of two months from termination. It is assumed that these families would not be terminated and would instead receive benefits during these two months under this section. We also assume the other 50 percent of

families terminated received no more benefits after termination in that year and that half of these families would continue to use child care for two additional months under this section. The total number of new families each month that would now be eligible to continue receiving benefits would be 2,450 ($3,267 \times 75$ percent).

We assume that these families receive an additional two months of benefits. The first month will result in 2,450 additional families and the second month and ongoing months will result in 4,900 additional families ($2,450 \times 2 = 4,900$). The caseload will reach the budgetary cap of 33,000 families beginning in August 2015 and each continuing month thereafter. The budgetary cap will need to be adjusted upward or a waiting list established. For the purposes of this fiscal note, we assume a waiting list is established.

We calculated the average cost per family per month by talking a representative sample of WCCC families (Temporary Assistance to Needy Families (TANF) and non-TANF) that had less than 12 months of service in FY 2014. The cost for a TANF family was \$644 per month, representing 21 percent of the WCCC families. The cost of non-TANF families was \$600 per month, representing 79 percent of the WCCC families. The weighted average of the two populations is \$609 ($\644×21 percent + $\$600 \times 79$ percent). Rates were increased twice in FY 2014, increasing the monthly cost of care by 4.4 percent in July 2014 and 4.4 percent in January 2015. The monthly family cost after the first FY 2014 subsidy rate increase was \$635 ($\$609 \times 1.044 = \635) and \$662 after the second ($\$635 \times 1.044 = \662). The annual average family cost is \$7,944 ($\662×12).

Without Exceeding the WCCC budgetary cap:

For FY16, average caseload is currently forecasted at 29,910, average additional families per month is 2,998, average annual cost per additional family is \$7,944 for a total cost of \$23,816,112 ($2,998 \times \$7,944 = \$23,816,112$).

For FY17, average caseload is currently forecasted at 30,257, average additional families per month is 2,742, average annual cost per additional family is \$7,944 for a total cost of \$21,782,448 ($2,742 \times \$7,944 = \$21,782,448$).

For FY18, average caseload is currently forecasted at 30,669, average additional families per month is 2,331, average annual cost per additional family is \$7,944 for a total cost of \$18,517,464 ($2,331 \times \$7,944 = \$18,517,464$).

For FY19, average caseload is currently forecasted at 31,110, average additional families per month is 1,889, average annual cost per additional family is \$7,944 for a total cost of \$15,006,216 ($1,889 \times \$7,944 = \$15,006,216$).

For FY20, average caseload is currently forecasted at 31,072, average additional families per month is 1,928, average annual cost per additional family is \$7,944 for a total cost of \$15,316,032 ($1,928 \times \$7,944 = \$15,316,032$).

For FY21, average caseload is currently forecasted at 31,072, average additional families per month is 1,928, average annual cost per additional family is \$7,944 for a total cost of \$15,316,032 ($1,928 \times \$7,944 = \$15,316,032$).

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	23,816,112	21,782,448	45,598,560	33,523,680	30,632,064
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$23,816,112	\$21,782,448	\$45,598,560	\$33,523,680	\$30,632,064

Part IV: Capital Budget Impact

NONE

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.

Sections 1(2) and the removal of Section 2(2) will require rulemaking to revise WAC 170-290-0031 regarding notification of changes. This rulemaking will be done within existing agency resources and will require no additional expenditure.