

Multiple Agency Fiscal Note Summary

Bill Number: 1491 E 2S HB AMS EDU S2671.2	Title: Early care & education systm
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Estimated Cash Receipts

Agency Name	2015-17		2017-19		2019-21	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Washington State Patrol	0	29,934	0	26,028	0	15,624
Department of Early Learning	0	106,616	0	107,552	0	103,256
Total \$	0	136,550	0	133,580	0	118,880

Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.0	49,500	49,500	.0	0	0	.0	0	0
Washington State Patrol	.1	0	24,100	.1	0	19,100	.1	0	10,400
Department of Social and Health Services	(1.2)	849,000	849,000	(2.4)	1,211,000	1,211,000	(2.4)	1,414,000	1,414,000
Department of Early Learning	32.6	145,856,130	145,856,130	33.2	190,548,201	190,548,201	33.2	195,025,155	195,025,155
The Evergreen State College	.2	63,012	63,012	.2	65,239	65,239	.6	197,042	197,042
Total	31.7	\$146,817,642	\$146,841,742	31.1	\$191,824,440	\$191,843,540	31.5	\$196,636,197	\$196,646,597

Estimated Capital Budget Impact

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

Prepared by: Rayanna Williams, OFM	Phone: (360) 902-0553	Date Published: Final 4/ 7/2015
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

ENPID: 42027

FNS029 Multi Agency rollout

Individual State Agency Fiscal Note

Bill Number: 1491 E 2S HB AMS EDU S2671.2	Title: Early care & education system	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: 03/26/2015
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 03/27/2015
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 03/27/2015
OFM Review: Regan Hesse	Phone: (360) 902-0650	Date: 04/01/2015

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.

E2SHB 1491 AMS EDU S2671.2 creates the early start account. Earnings from investments will be credited to the general fund.

Estimated earnings from investments are indeterminable because projected cash flows are needed to make the estimate and are currently unavailable. Earnings for an account are a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period under review. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average daily balances, and hence different earnings.

For illustrative purposes, assume based on the February 2015 revenue forecast that approximately \$3,300 in FY 16, \$16,800 in FY 17, \$32,500 in FY 18, and \$35,000 in FY 19 in net earnings would be gained or lost annually for every \$1 million shift in average daily cash balances.

Debt Limit:

There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

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.

E2SHB 1491 AMS EDU S2671.2 creates the early start account. Earnings from investments will be credited to the general fund.

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

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.

Individual State Agency Fiscal Note

Bill Number: 1491 E 2S HB AMS EDU S2671.2	Title: Early care & education system	Agency: 105-Office of Financial Management
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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	49,500	0	49,500	0	0
Total \$	49,500	0	49,500	0	0

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Ailey Kato	Phone: 786-7434	Date: 03/26/2015
Agency Preparation: Stephanie Lidren	Phone: 360-902-3056	Date: 03/31/2015
Agency Approval: Aaron Butcher	Phone: 360-902-0406	Date: 03/31/2015
OFM Review: Regan Hesse	Phone: (360) 902-0650	Date: 04/01/2015

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.

This bill relates to improving quality in the early care and education system. Section 12(1) requires the education data center (ERDC) to collect longitudinal, student-level data on all children attending a working connections child care program or an early childhood education and assistance program.

It is assumed the Department of Early Learning is responsible for the reports in Section 12(2).

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.

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.

For Section 12(1) of the bill, the ERDC would need to contract with Enterprise Technical Services at the Department of Enterprise Services to construct a data cube containing all the necessary data for the reports in Section 12(2). This would require up to 600 hours of time from a combination of a business analyst, a data modeler, a business intelligence architect and a data base administrator at the cost of approximately \$49,500 in FY 2016.

It is assumed the Department of Early Learning is responsible for the reports in Section 12(2). If the ERDC becomes responsible for the reports, additional resources would be required to design the reports, conclude data sharing agreements if needed, produce the reports, and provide support for users of the reports.

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	49,500		49,500		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$49,500	\$0	\$49,500	\$0	\$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.

Individual State Agency Fiscal Note

Bill Number: 1491 E 2S HB AMS EDU S2671.2	Title: Early care & education system	Agency: 225-Washington State Patrol
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
Fingerprint Identification Account-State 225-1	26,028	3,906	29,934	26,028	15,624
Total \$	26,028	3,906	29,934	26,028	15,624

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.2	0.0	0.1	0.1	0.1
Account					
Fingerprint Identification Account-State 225-1	21,300	2,800	24,100	19,100	10,400
Total \$	21,300	2,800	24,100	19,100	10,400

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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 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: 03/26/2015
Agency Preparation: Shawn Eckhart	Phone: 360-596-4080	Date: 03/30/2015
Agency Approval: Mary Thygesen	Phone: 360 596-4046	Date: 03/30/2015
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 03/30/2015

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.

Subsection 8(4) of Engrossed Second Substitute House Bill 1491 as amended requires that the Department of Early Learning (DEL) adopt rules requiring early childhood education and assistance program employees who have access to children submit to a fingerprint background check. Procedures for these fingerprint background checks are the same as in RCW 43.215.215.

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.

Per the DEL's estimate, there will be the following increased background checks by fiscal year:

FY 2016: 1,446
FY 2017: 217
FY 2018: 217
FY 2019: 1,229
FY 2020: 434
FY 2021: 434

Assuming electronic submissions, the Washington State Patrol (WSP) charges \$30.75 for these checks, of which \$14.75 is the FBI fee (\$12.75 passed to the FBI and \$2.00 retained by WSP). The balance of the fee (\$16.00) is WSP's fee, leaving total revenue to the Fingerprint Identification Account of $\$2 + \$16 = \$18$ per background check.

Estimated additional annual revenue for the Fingerprint Identification Account is:

FY 2016: $1,446 \times \$18 = \$26,028$
FY 2017: $217 \times \$18 = \$3,906$
FY 2018: $217 \times \$18 = \$3,906$
FY 2019: $1,229 \times \$18 = \$22,122$
FY 2020: $434 \times \$18 = \$7,812$
FY 2021: $434 \times \$18 = \$7,812$

NOTE: The WSP currently has a proposal to increase the background check fees on July 1, 2015, including the electronic fingerprint-based fee from \$16 to \$20. That extra \$4 per check would add \$5,784 in FY 2016, \$868 in each of FY 2017 and FY 2018, \$4,916 in FY 2019, and \$1,736 in each of FY 2020 and FY 2021.

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.

The WSP's Identification Section estimates that E2SHB 1491 as amended will impact its workload equivalent to 0.21 FTE in FY 2016, 0.03 FTE in each of FY 2017 and FY 2018, 0.18 FTE in FY 2019, and 0.06 FTE in each of FY 2020 and FY 2021. Estimates for goods and services, travel and equipment are based on our

rule-of-thumb costs per FTE, which are derived from historical expenditures.

The WSP's indirect cost rate is based on the agency's negotiated federal rate of 25.63%. This rate is calculated on all categories of expenditures except capitalized equipment and is for the agency's administrative support costs associated with this bill. Support costs include items such as computer and telecommunications support, payroll processing and vendor payments, contract administration, ordering, accounting for and distribution of supplies, and human resource services.

If the workload increase is greater than anticipated, we will request additional funding through the normal budget process.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.2	0.0	0.1	0.1	0.1
A-Salaries and Wages	9,400	1,300	10,700	9,300	5,200
B-Employee Benefits	4,100	600	4,700	4,100	2,000
C-Professional Service Contracts					
E-Goods and Other Services	1,200	200	1,400	1,200	600
G-Travel	300		300	200	200
J-Capital Outlays	2,400	100	2,500	400	200
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Indirect Costs	3,900	600	4,500	3,900	2,200
Total:	\$21,300	\$2,800	\$24,100	\$19,100	\$10,400

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
Fingerprint Technician 2	3,726	0.2	0.0	0.1	0.1	0.1
Total FTE's	3,726	0.2	0.0	0.1	0.1	0.1

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.

There are no required rule changes for the WSP from this legislation.

Individual State Agency Fiscal Note

Revised

Bill Number: 1491 E 2S HB AMS EDU S2671.2	Title: Early care & education system	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	0.1	(2.4)	(1.2)	(2.4)	(2.4)
Account					
General Fund-State 001-1	432,000	417,000	849,000	1,211,000	1,414,000
Total \$	432,000	417,000	849,000	1,211,000	1,414,000

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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.

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

Legislative Contact: Ailey Kato	Phone: 786-7434	Date: 03/26/2015
Agency Preparation: Wendy Polzin	Phone: 360-902-8067	Date: 04/06/2015
Agency Approval: Mickie Coates	Phone: 360-902-8077	Date: 04/06/2015
OFM Review: Rayanna Williams	Phone: (360) 902-0553	Date: 04/07/2015

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 6 - Working Connections Child Care (WCCC) authorizations shall be effective for 12 months, beginning January 1, 2016. This section also establishes Early Achievers (EA) participation requirements that must be met in order for child care providers to be eligible for a state child care subsidy.

Section 7 – 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.

Section 8 - Requires rules be adopted to require Early Childhood Education and Assistance Program (ECEAP) employees to receive a fingerprint background check.

Section 12 – Directs the Department of Early Learning (DEL) to collect certain data upon completion of an electronic time and attendance record system.

Section 13 – DEL may employ a combination of vouchers and contracted slots for the WCCC program. It also directs DEL to establish an absence policy and a de-enrollment process when a client has exceeded the approved absences.

Section 22 – Establishes an effective date of January 1, 2016 for Section 7.

Section 23 - Includes a null and void clause.

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. The Children's Administration (CA) is currently operating under a Title IV-E waiver, which has a capped allocation. Therefore, these costs are 100 percent GF-State.

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.

The amendment to Engrossed Second Substitute House Bill 1491 makes several changes, including:

- establishing a January 1, 2016 start date for section 7;
- delaying collection of student level data until the completion of an electronic time and attendance record system. For this reason, no costs are shown in the roll up related to the collection of this data, or costs related to development and implementation of a time and attendance record system. However a summary of these costs are included in the narrative of the fiscal note.
- making optional the use of contracted child care slots. For purposes of this fiscal note, the costs to administer contracted slots are included.

This version of the fiscal note also included impacts related to child care provided by the CA, as a result of EA requirements.

It is assumed that any expected change in WCCC subsidy costs under passage of this bill is included in the fiscal note prepared by DEL. Therefore, this fiscal note for DSHS does not include any assumptions or estimates related to the potential fiscal impact to WCCC 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. It is also assumed that all costs incurred to process fingerprint background checks for all employees and volunteers of ECEAP will be the responsibility of DEL and will be reflected in the DEL fiscal note.

Please see 15 E2SHB 1491 AMS EDU S2671 Attachment 1 for detail on the fiscal estimates discussed below.

Sections 6 and 7: Twelve Month Eligibility, Reporting Requirements, and Early Achievers Participation

Reduced terminations, reapplications and reauthorization: Passage of this bill will decrease the number of WCCC cases which are terminated for no longer meeting eligibility criteria. A 12 month authorization begins in January 2016, pursuant to Public Law 113-186. 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). This change will drive a workload savings of 2.1 FTEs (Financial Services Specialist 3) in Fiscal Year 2016 and 4.3 FTEs (Financial Services Specialist 3) in Fiscal Year 2017 and beyond.

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. This change will drive a workload savings of 1.7 FTEs (Financial Services Specialist 3) in Fiscal Year 2016 and 3.5 FTEs (Financial Services Specialist 3) in Fiscal Year 2017 and beyond.

In addition, DEL assumes that 25 percent of all cases that would have terminated ($39,212 * 25 \text{ percent} = 9,803$) under the bill will remain on the caseload for two additional months. Savings are assumed in the first year for the delay in processing terminations. This change will drive a workload savings of 0.2 FTEs (Financial Services Specialist 3) in Fiscal Year 2016.

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 February 2016. 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: The WCCC is assumed to be capped at 33,000 households, and that eligibility will be determined by DSHS eligibility staff prior to placement on the waitlist, if the cap is exceeded. DEL assumes that the 12 month eligibility period for child care will begin when the family is moved onto the caseload. This means that, depending on how long a client is on the waitlist, more than 12 months could pass from the original eligibility screening and the next eligibility review.

When a waitlist is instituted, certain clients are given prioritization onto the WCCC caseload, including Temporary Assistance for Needy Families (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 0.5 FTE (Financial Services Specialist 3) in Fiscal Year 2016 and 1 FTE (Financial Services Specialist 3) in Fiscal Year 2017 and beyond.

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 10,315 cases will need to be screened for the waitlist in Fiscal Year 2016 and 24,663 in Fiscal Year 2017. This represents a staff cost of 0.3 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 \$1,200 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 ten minutes to move a client from the waitlist to the caseload. It is estimated that enrollment from the waitlist will be about 2,909 in Fiscal Year 2017. This represents a staff cost of 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 three minutes per call. These estimates represent a staff cost of 1.0 FTEs (Financial Services Specialist 3) in Fiscal Year 2016 and 2.4 FTEs (Financial Services Specialist 3) in Fiscal Year 2017 and beyond.

An additional assumption in this fiscal note is that child care subsidy funds used for meeting the state's TANF Maintenance of Effort (MOE) requirement will be used solely for child care subsidies for families concurrently 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. Since the bill does not require clients to report changes in status, the ESA would be unable to use TANF funds to support client’s child care needs, because federal TANF requirements could not be assured.

EA Impact: The bill requires child care providers that accept state subsidy to enroll and rate in the EA program within specific timelines. CA pays subsidies for children involved in both child protective services (CPS) child care and foster care (FC) child care. Costs reflected here assume the total increased CA tiered reimbursement rates for licensed family homes and child care centers rated levels two through five. CA child care providers are assumed to have the same penetration rate as the WCCC child care into the EA levels. Based on an Office of Financial Management/Office of Forecasting analysis of both WCCC licensed family homes and child care center providers at levels two through five as of the February 2015 forecast, the total amount paid for level two and levels three through five is divided by the WCCC base spending to estimate the increased percentage payment required at each level. These percentages (2.2 percent in Fiscal Year 2016, 2.9 percent in Fiscal Year 2017, 3.4 percent in Fiscal Year 2018, 3.7 percent in Fiscal Year 2019, and 3.9 percent in Fiscal Year 2020 and each fiscal year thereafter) drive the estimated increased cost for CA as a result of this bill. The percentages are applied to the February 2015 CA child care forecast costs, estimated CPS child care costs, and extended foster care child care costs. for each respective fiscal year. CA tiered subsidy costs are estimated to be:

Fiscal Year 2016: \$398,000
Fiscal Year 2017: \$604,000
Fiscal Year 2018: \$749,000
Fiscal Year 2019: \$836,000
Fiscal Year 2020: \$894,000
Fiscal Year 2021: \$894,000

It is assumed that the WCAP application within Barcode will need to be modified to track the movement of providers through EA tiers. This work is expected to take 200 hours and drive a workload of 0.1 FTE in Fiscal Year 2016.

Section 8 – ECEAP Background Checks

The bill requires DEL to adopt rules requiring ECEAP employees who have access to children to submit to a fingerprint background check. All fingerprint background checks required by DEL are routed through the DSHS Background Check Central Unit. DSHS assumes that any costs related to these fingerprint background checks will be charged to DEL for reimbursement.

Section 12 – Time and Attendance and Data Reporting

The bill specifies that the education data center must collect longitudinal student-level data on all children attending a WCCC program, upon completion of an electronic time and attendance record system. DSHS has modeled costs for impacts related to the Attendance, Billing, and Child Care Subsidy System (ABCS). The ABCS would track time in care, eligibility, authorizations, and payment. If this program were implemented, DSHS would incur both staffing and contract related costs in order to align existing DSHS systems with the ABCS. It is estimated that 9 FTE would be required in Fiscal Year 2016 and 2.5 FTE in Fiscal Year 2017. Additionally, \$1.8 million in contracted costs would be required to modify DSHS systems in Fiscal Year 2016, and \$180,000 in Fiscal Year 2017. No costs are included in the totals reflected in this fiscal note for this section, since no timeline is provided for when a time and attendance record system must be in place or system requirements.

If a different time and attendance record system is developed DSHS will incur different costs. No estimate is provided at this time, since costs will depend on the specific requirements of the project, and how it interfaces with DSHS systems.

Upon completion of a time and attendance record system, DSHS would begin to collect data related to the ethnic category and racial subgroups for children receiving WCCC, for the education data center. This data is not currently collected. It is assumed that this information will be collected at the time of application for benefits. It is estimated that collecting and entering this information will take about two minutes per application. It is estimated that all 85,180 applications (104,786 applications – 19,606 cases that will remain on the caseload without reapplying), in Fiscal Year 2016 will be screened for this new data. This represents a staff cost of 1.8 FTEs (Financial Service Specialists 3) in Fiscal Year 2016. In Fiscal Year 2017 it is assumed that after the first year, half of all applications will have been enrolled and screened for this data in the past, and the question will not need to be asked. It is estimated that a total of 42,590 (85,180 x 50 percent) cases would be screened for ethnic category and racial subgroups of the children in Fiscal Year 2017 and beyond. This is assumed to drive a workload of .9 FTE (Financial Service Specialist 3) in Fiscal Year 2017 and beyond.

The WCAP application within Barcode will need to be modified in order to allow the system to track the ethnic category and racial subgroup data. It is assumed that this work will require 80 hours of staff time to make these updates. This will drive a workload of 0.1 FTE (IT Specialist 5) in Fiscal Year 2016.

Section 13 – Child Care Slots

Contracted Slots:

The bill states that DEL may employ a combination of vouchers and contracted slots for subsidized child care programs. For purposes of this fiscal note, it is assumed that contracted slots will be implemented. DEL assumes they will implement 150 contracted slots in licensed family homes and 150 contracted slots in child care centers beginning in Fiscal Year 2017. DEL does not anticipate adding additional contracted slots in Fiscal Year 2018 and beyond. It is anticipated that Economic Services Administration (ESA) eligibility workers will authorize child care as they do now, without consideration for whether or not it is a contracted slot or a voucher slot. Once a child is authorized for care, the provider is assumed to notify DEL and DSHS if the child is in a contracted slot. This will create multiple times in which the eligibility worker must touch the case. It is estimated in total that 21 minutes of staff time will be needed in order to adjust the type of care a child is receiving (e.g. a child is entered into care for a voucher, a provider notifies DSHS that the child is in a contracted slot, the eligibility worker must change clients records in Barcode to correct the payment type). Based on experience for how often a child care case changes providers, it is estimated that 25 percent of cases will change a provider once per 12 month authorization ($300 \text{ contracted} \times 1.25 = 375 \text{ slots}$) The impact of 21 minutes of touch time is estimated to drive a workload of 0.1 FTE (Financial Service Specialists 3) in Fiscal Year 2017 and beyond. This amount could increase if DEL increases the number of contracted slots in Fiscal Year 2018 and beyond.

WCAP upgrades: It is assumed that Barcode will be updated when DEL enters into a contract with a child care provider. In order to meet this expectation, the WCAP within the Barcode system will need to be updated to include the ability to identify and track a contracted slot. This work is estimated to require approximately 500 hours of staff time to make the necessary modifications. Total FTE impact is estimated at 0.3 FTE in Fiscal Year 2016. This will be a onetime cost.

Contracted Slots Training: Training will be required for ESA eligibility workers on how contracted slots operate. Development of the training will be handled by DSHS staff, and will be delivered in an electronic format. The training will be three hours in length, and will be offered on a one-time basis. It is assumed that all child care eligibility workers, including Financial Services Specialists 1-5 and WorkFirst Program Specialists who authorize child care will receive the training. The impact to deliver the training is estimated to take a total of 1 FTE in Fiscal Year 2016.

De-enrollment Procedure: The bill directs DEL to adopt rules pertaining to the WCCC child care program for both slots and vouchers, including allowable absences and de-enrollment procedures, once allowable child care absences have been exceeded. Until a time and attendance system is implemented, it is assumed that voucher providers will continue to be responsible to track attendance manually. It is also assumed that providers will de-enroll the child and inform ESA when the allowable absences have been reached. ESA will then close the child's authorization for payment. It is the responsibility of the provider to adjust billings downward as necessary based on attendance. A child de-enrolled due to exceeding the allowable number of absences remains eligible for WCCC and may re-enroll.

Assuming a total caseload of 68,460, it is estimated that ten percent of the current caseload, 6,846 cases, will exceed the number of allowable child absences, which would trigger a de-enrollment process for both slots and vouchers. De-enrolling these cases will drive a workload of 0.7 FTE (Financial Service Specialist 3) in each fiscal year.

New Caseload from Contracted Slots: DEL assumes that new cases would be added to the WCCC caseload in Fiscal Year 2017, as a result of targeting contracted slots in underserved communities and recruiting children who were not previously part of the caseload to fill those slots. It is assumed the caseload would increase by 88

households per month. These cases would be in addition to those discussed in sections 4 and 5 of the fiscal note. Screening these new cases for entry prioritization (two minutes), explaining the waitlist (three minutes) and collecting ethnic and racial subgroup data (two minutes) is expected to take a total of seven minutes per case, and drive a workload of 0.1 FTE (Financial Services Specialist 3) in Fiscal Year 2017 and beyond.

Total change in costs and FTEs is estimated to be:

Fiscal Year 2016 – a cost of 0.1 FTE and a cost of \$432,000

Fiscal Year 2017 - a savings of 2.4 FTE and a cost of \$417,000

Fiscal Year 2018 – a savings of 2.4 FTE and a cost of \$562,000

Fiscal Year 2019 - a savings of 2.4 FTE and a cost of \$649,000

Fiscal Year 2020 – a savings of 2.4 FTE and a cost of \$707,000

Fiscal Year 2021 – a savings of 2.4 FTE and a cost of \$707,000

Please note: FTEs may not tie exactly due to rounding.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.1	(2.4)	(1.2)	(2.4)	(2.4)
A-Salaries and Wages	27,000	(113,000)	(86,000)	(226,000)	(226,000)
B-Employee Benefits	5,000	(53,000)	(48,000)	(106,000)	(106,000)
C-Professional Service Contracts					
E-Goods and Other Services	2,000	(16,000)	(14,000)	(32,000)	(32,000)
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	398,000	604,000	1,002,000	1,585,000	1,788,000
P-Debt Service		(1,000)	(1,000)	(2,000)	(2,000)
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		(4,000)	(4,000)	(8,000)	(8,000)
9-					
Total:	\$432,000	\$417,000	\$849,000	\$1,211,000	\$1,414,000

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	(1.2)	(2.4)	(1.8)	(2.4)	(2.4)
IT Specialist 5	78,900	0.6		0.3		
WorkFirst Program Specialist	51,864	0.7		0.4		
Total FTE's	177,780	0.1	(2.4)	(1.2)	(2.4)	(2.4)

III. C - Expenditures By Program (optional)

Program	FY 2016	FY 2017	2015-17	2017-19	2019-21
Children's Administration (010)	398,000	604,000	1,002,000	1,585,000	1,788,000
Economic Services Administration (060)	34,000	(187,000)	(153,000)	(374,000)	(374,000)
Total \$	432,000	417,000	849,000	1,211,000	1,414,000

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 will not need to adopt new or amended rules to implement this legislation.

Department of Social and Health Services
2015 Legislative Session
Fiscal Note - E2SHB 1491 AMS EDU 2617

Key Assumptions:

Effective date for 12 month eligibility(section 6.2)	1/1/2016
Effective date for not require reporting changes(section 7.2)	1/1/2016
WCCC applications processed in SFY 2014. `	104,786 ESA Management Accountability and Performance Statistics (EMAPS)
WCCC applications approved in SFY 2014.	68,085 EMAPS
Annual cases that terminate prior to 12 months on the caseload.	39,212 DEL
Annual terminated cases that will reapply (50% of Terminations).	19,606
Estimated number of clients delaying termination for two months. (FY 2016 Only)	1,634 ((19,606/2)/12)*2
Annual estimated hours per FTE.	1,560
Estimated time to screen application(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%
Estimated time to collect data for ethnic categories within racial subgroups (in minutes).	2
Estimated time to check slots information and process (in minutes).	21
Training time per eligibility workers (in hours).	3
Estimated time to close authorization, but not close cases (de-enrollment) (in minutes).	10
Estimated percentage for caseload need be de-enrolled.	10%
Total slots available.	300
Estimated percentage of clients that will not report changes from July 2015 to December 2015.	15%
Total annual terminations due to no activity, over Federal Poverty Level (FPL), and no employer verification (SFY14).	34,622
Staff processing time per OFR case (in minutes).	92

Sections 6 and 7: Working Connection Child Care 12 months eligibility, Reporting Requirements and Early Achievers Levels

1. Reduced Terminations , Reapplications and Reauthorizations

Cases which will not report a change in status effective 1/1/2016

	Six Months SFY 16	SFY 17
Annual number of cases which would have terminated and reauthorized.	9,803	19,606
Estimated percent of cases who will not report a change in status.	50%	50%
Estimated number of cases who will not report a status change.	4,902	9,803
Estimated time savings from not processing a terminations and reauthorizations.	(41)	(41)
Estimated total annual hours saved from not processing terminations and reauthorizations.	(3,349)	(6,699)
Estimated hours per FTE.	1,560	1,560
Estimated FTE's saved from not processing terminations and reauthorizations.	(2.1)	(4.3)

Cases which will report a change in status effective 1/1/2016

	Six Months SFY 16	SFY 17	
Annual number of cases that will no longer terminate.	9,803	19,606	
Estimated percent of cases who will report a change in status.	50.0%	50.0%	
Estimated number of cases who will report a status change.	4,902	9,803	
Estimated net time savings from not processing a termination and reauthorization/reapplication but processing change in status.	(33)	(33)	(41 minutes to terminate/reauthorize
Estimated net total annual hours saved from not processing terminations/process change in status.	(2,696)	(5,392)	- 8 minutes to process change in status)
Estimated hours per FTE.	1,560	1,560	
Estimated net FTE's saved from not processing terminations/process change in status.	(1.7)	(3.5)	

Department of Social and Health Services
2015 Legislative Session

Fiscal Note - E2SHB 1491 AMS EDU 2617

Cases which will delay terminations (first year)

Annual number of cases which will remain on caseload two additional months.	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 FTE's saved from not processing terminations.	(0.2)	
	FTEs	
	SFY16	SFY17
Total FTE Impact	(4.0)	(7.8)

FSS

2. Waitlist Automation Upgrade

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

	SFY 16	
Total work hours.	300	
Estimated hours per FTE.	1,560	
Total FTE impact.	0.2	
	FTEs	
	SFY16	SFY17
Total FTE Impact	0.2	-

ITS5

3. 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 client is special need client or non-TANF family meets one of the waitlist exemptions.

	Six Months	
	SFY 16	SFY 17
WCCC application approved in SFY 2014.	34,043	68,085
Number of applications that will no longer be processed under passage of this bill.	9,803	19,606
Total application need be screened	24,240	48,479
Estimated time to screen	2	2
Estimated hours to screen	808	1,616
Estimated hours per FTE.	1,560	1,560
Estimated FTE's needed to process cases onto the waitlist.	0.5	1
	FTEs	
	SFY16	SFY17
Total FTE Need	0.5	1.0

Department of Social and Health Services
2015 Legislative Session
Fiscal Note - E2SHB 1491 AMS EDU 2617

	February OFM Forecast	Caseload From DEL for 12 months Eligibility	Projected Caseload	Over Cap	Waitlist Change	Waitlist Reductions	New Caseload processed
	Total						
Jul-15	29,289		29,289				
Aug-15	29,357		29,357		-		
Sep-15	29,958		29,958		-		
Oct-15	30,314		30,314		-		
Nov-15	29,902		29,902		-	-	
Dec-15	29,153		29,153		-	-	
Jan-16	29,122	2,450	31,572		-		
Feb-16	29,213	4,900	34,113	1,113	1,113		
Mar-16	29,637	4,900	34,537	1,537	423		
Apr-16	30,181	4,900	35,081	2,081	544		
May-16	30,530	4,900	35,430	2,430	349		
Jun-16	31,254	4,900	36,154	3,154	725		-
Jul-16	29,589	4,900	34,489	1,489	(1,665)	1,605	
Aug-16	29,623	4,900	34,523	1,523	33		
Sep-16	30,288	4,900	35,188	2,188	666		
Oct-16	30,657	4,900	35,557	2,557	368		
Nov-16	30,246	4,900	35,146	2,146	(411)	423	
Dec-16	29,466	4,900	34,366	1,366	(780)	879	
Jan-17	29,460	4,900	34,360	1,360	(6)	3	
Feb-17	29,536	4,900	34,436	1,436	76		
Mar-17	29,964	4,900	34,864	1,864	428		
Apr-17	30,540	4,900	35,440	2,440	576		
May-17	30,879	4,900	35,779	2,779	339		
Jun-17	31,616	4,900	36,516	3,516	737		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
10,315	24,663
3	3
516	1,233
1,560	1,560
0.3	0.8

FTEs		FSS
SFY16	SFY17	
Total FTE Impact	0.8	1.8

Department of Social and Health Services
2015 Legislative Session
Fiscal Note - E2SHB 1491 AMS EDU 2617

4. 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 they are eligible to move off the waitlist. This letter will need to be provided in 8 languages. The one time cost for this work is \$1,200. The average mailing cost for one letter is \$0.64.

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

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

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

	SFY16	SFY17	
Total FTE Impact	-	0.3	FSS

5. 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.	10,315	24,663
3 calls per month.	30,944	73,989
3 minutes per call.	92,833	221,967
Total hours of work.	1,547	3,699
Estimated hours per FTE.	1,560	1,560
Total FTE impact.	1.0	2.4

	FTEs	
	SFY16	SFY17
Total FTE Impact	1.0	2.4

FSS

Department of Social and Health Services
2015 Legislative Session
Fiscal Note - E2SHB 1491 AMS EDU 2617

6. WCAP Programming to Identify Early Achievers Providers Level

It is assumed that the WCAP application within Barcode must develop or modify an interface with the DEL system that will track a providers Early Achievers ranking. The bill directs that non-school age providers enrolled in EA and moving through tiers may receive state subsidy.

			SFY16	
	Total work hours.		200	
	Estimated hours per FTE.		1,560	
	Total FTE impact.		0.1	
			FTEs	
			SFY16	SFY17
Total FTE Impact			0.1	-

ITS5

Section 13 - Contract Slots

1. Impact of Contracted Slots on CSD Eligibility Workers:

DEL assumes that 150 contracted slots will begin in licensed family homes and 150 contracted slots will begin in child care centers in Fiscal Year 2017. It is assumed that ESA child care eligibility workers will be required to identify any available slots for families approved for WCCC. It is assumed that it will require 21 minutes of staff time to determine whether a slot is available to be filled and make the appropriate coding changes. It is further assumed that 25% clients will change provider one time in the entire 12 month authorization period.

			SFY17	
	Total children in slots (300 x1.25).		375	
	Estimated time per application (in minutes).		21	
	Total estimated hours - search/identify slots.		131	
	Estimated hours per FTE.		1,560	
	Estimated FTE's - search/identify slots.		0.1	
			FTEs	
			SFY16	SFY17
Total FTE Impact			-	0.1

FSS3

2. WCAP Upgrades for Contracted Slots

DEL assumes that in order to track contracted slots, the WCAP application within Barcode will require programming modifications. It is assumed that 500 hours of programming time will be needed to upgrade WCAP to track contracted slots.

			SFY16	
	Total work hours.		500	
	Estimated hours per FTE.		1,560	
	Total FTE impact.		0.3	
			FTEs	
			SFY16	SFY17
Total FTE Impact			0.3	-

ITS5

Department of Social and Health Services
2015 Legislative Session
Fiscal Note - E2SHB 1491 AMS EDU 2617

3. Training for ESA Eligibility Workers on Contracted Slots

There are 149 Financial Service Specialists (FSS) 3 dedicated to childcare eligibility work, 38 FSS Lead Workers or Supervisors, and 350 Workfirst Program Specialist (WFPS) that may also handle childcare eligibility. It is assumed that every eligibility worker will receive one three hour training on contracted slots in Fiscal Year 2016 in

	FSS 3 (Dedicated for Childcare)	FSS 4 (Dedicated for Childcare)	FSS 5 (Dedicated for Childcare)	WFPS
Total eligibility workers for WCCC eligibility determination.	149	25	13	350
Training time (in hours).	3	3	3	3
Total estimated training hours.	447	75	38	1050
Estimated hours per FTE.	1,560	1,560	1,560	1,560
Total FTE impact.	0.29	0.05	0.02	0.67

	FTEs	
	SFY16	SFY17
Total FTE Impact	1.0	

4. De-enrollment Workload

The bill directs DEL to establish an absence policy and a de-enrollment process for both WCCC contracted slots and vouchers. It is assumed that 10% of the caseload will exceed allowable child absences, as established by DEL. Once the number of allowable absences, these cases will be de-enrolled from WCCC.

	SFY16	SFY17
WCCC applications approved in SFY 2014.	68,085	68,085
Total Children in slots (slots x1.25).	375	375
Total caseload.	68,460	68,460
Estimated de-enrollment rate.	10%	10%
Total estimated de-enrollment cases.	6,846	6,846
Estimated process time for de-enrollment (in minutes).	10	10
Total hours to process.	1,141	1,141
Estimated hours per FTE.	1,560	1,560
Total FTE impact.	0.7	0.7

	FTEs	
	SFY16	SFY17
Total FTE Impact	0.7	0.7

5. New WCCC Caseload with Contracted Slots (based on DEL's assumption)

DEL assumes that 150 new cases would be added to the WCCC caseload per month beginning in Fiscal Year 2017 as a result of contracted slots. The current experience shows each case has an average of 1.7 children. This assumption will increase the waiting list by 88 cases each month. It is assumed that these cases would be in addition to the waitlist established earlier in the fiscal note.

	SFY17
Monthly caseload increase for waiting list caseload (for FY17 and beyond).	88.0
Estimated time to screen for each caseload if special need clients (in minutes).	2.0
Estimated time to explain waitlist and place client into waitlist (in minutes).	3.0
Total annual process time (in hours).	88
Estimated hours per FTE.	1,560
Total FTE impact.	0.1

	FTEs	
	SFY16	SFY17
Total FTE Impact		0.1

Department of Social and Health Services
2015 Legislative Session
Fiscal Note - E2SHB 1491 AMS EDU 2617

In summary

Total FTE Impact in Section 6 and 7

	FTEs		
	SFY16	SFY17	
1. Reduced Terminations , Reapplications and Reauthorizations	(4.0)	(7.8)	fss3
2. Waitlist Automation Upgrade	0.2	-	it5
3. Identify and Screen Cases onto WCCC Waitlist	0.8	1.8	fss3
4. Identify and Contact Cases on Waitlist - For Entry to WCCC Caseload (Processing cases from waitlist)	-	0.3	fss3
5. Answering Calls From Cases on the Waitlist	1.0	2.4	fss3
6. WCAP Programming to Identify Early Achievers Providers Level	0.1	-	it5
Section 6 and 7 Subtotal	(1.9)	(3.3)	

Total FTE Impact in Section 13

1. Impact of Contracted Slots on CSD Eligibility Workers:	-	0.1	fss3
2. WCAP Upgrades for Contracted Slots	0.3	-	it5
3. Training for ESA Eligibility Workers on Contracted Slots	1.0	-	fss3&wfps
4. De-enrollment Workload	0.7	0.7	fss3
5. New WCCC Caseload with Contracted Slots (based on DEL's assumption)	-	0.1	fss3
Section 13 Subtotal	2.0	0.9	

Total FTE need for this bill	0.1	(2.4)	
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Individual State Agency Fiscal Note

Bill Number: 1491 E 2S HB AMS EDU S2671.2	Title: Early care & education system	Agency: 357-Department of Early Learning
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
Indivi-Based/Portable Background Check Clearance Acct-Non-Appropriated 17M-6	17,352	2,604	19,956	17,352	10,416
Early Achievers Rating Fee-Non-Appropriated New-6	42,880	43,780	86,660	90,200	92,840
Total \$	60,232	46,384	106,616	107,552	103,256

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	32.0	33.3	32.6	33.2	33.2
Account					
General Fund-State 001-1	59,160,690	86,695,440	145,856,130	190,548,201	195,025,155
Total \$	59,160,690	86,695,440	145,856,130	190,548,201	195,025,155

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: 03/26/2015
Agency Preparation: John Rich	Phone: 360 725-4513	Date: 04/02/2015
Agency Approval: Mike Steenhout	Phone: (360) 725-4920	Date: 04/02/2015
OFM Review: Rayanna Williams	Phone: (360) 902-0553	Date: 04/07/2015

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.

DIFFERENCES BETWEEN E2SHB 1491 STRIKER AND E2SHB 1491:

Section 2(3)(c): Language was changed such that the section specifies that early learning programs not receiving state funds are not required to participate in early achievers.

Section 2(3)(d): Language was changed such that the section identifies the Office of the Superintendent of Public Instruction along with the Department of Early Learning (DEL) are to jointly design a plan to incorporate school age child care providers into EA and to implement a pilot program.

Section 2(5): Language was added such that DEL must streamline and eliminate duplication between EA standards and state and child care rules in order to reduce costs associated with the early achievers rating cycle and child care licensing.

Section 3(1): Language was added such that DEL must produce the single set of licensing standards within DEL's available appropriations.

Section 3(2): A subsection was added stating that private schools operating early learning programs and not receiving state subsidy payments shall be subject only to state licensing requirements necessary to assure the health and safety of all students in the state and to assure a sufficient early childhood education to meet usual requirements needed for transition into elementary school. The state, and any agency thereof, shall not restrict or dictate any specific educational or other programs for early learning programs operated by private schools except for programs that receive state subsidy payments.

Section 4(2) amends current law regarding the director of DEL's duties. For child care programs serving only school-age children and operating in the same facilities used by public or private schools, the director must not impose additional health and safety licensing requirements related to the physical facility beyond the health and safety standards established by the State Board of Health for primary and secondary schools pursuant to its authority in RCW 43.20.050.

Section 6(4)(a) clarifies that for new child care providers receiving Working Connections Child Care (WCCC) subsidy the enrollment deadline for the early achievers program is within thirty days of receiving the initial subsidy payment.

Section 6(4)(c) clarifies that for new child care providers receiving WCCC that rate below level 3 within thirty months of enrollment in early achievers, the provider must complete remedial activities within six months of beginning them.

Section 8(3)(a) and (b): Language was added such that rulemaking must be accomplished within DEL's appropriations.

Section 9(4)(b) specifies that new child care providers, existing Early Childhood Education and Assistance Program (ECEAP) providers, and new ECEAP providers that must complete remedial activities and rate at a

certain level must do so within six months "of beginning remedial activities."

Section 9(5)(a) clarifies that for new ECEAP providers the enrollment deadline for early achievers is within thirty days of the ECEAP contract start date.

Section 9(5)(b)(ii) states the licensed centers and family homes that administer an ECEAP must rate a level 4 or 5 in early achievers within eighteen months of the start date of the ECEAP contract, or complete remedial activities and rate a level 4 or 5 within six months of beginning them.

Section 9(7) specifies that DEL must "periodically" collect data to determine the demand for full day programming for ECEAP. DEL must include its findings in the annual report.

Section 9(8) states that DEL must develop a pathway for "licensed or certified child care centers and homes" to administer ECEAP. States that licensed or certified child care centers and homes that administer ECEAP must rate at a level 4 or 5 within eighteen months of the start date of the ECEAP contract. If an ECEAP provider rates below a level 4 within eighteen months, the provider must complete remedial activities and rate at a level 4 or 5 within six months of beginning remedial activities.

Section 10 was added removing the requirement that public or private organizations be "nonsectarian" when reviewing ECEAP provider applications.

Section 11 on DEL's duties was removed such that DEL is no longer required to apply data already available and make biennial recommendations to the Legislature on subsidy rates and market rates of licensed child care homes and centers that serve children ages birth to three.

Section 12(1) delays the collection of longitudinal, student-level data on all children attending a WCCC program until completion of an electronic time and attendance record system.

Section 12(2) delays the requirement that DEL give providers data specific to their programs collected pursuant to this section until completion of an electronic time and attendance records system.

Section 12(4)(b) delays Washington State Institute for Public Policy reporting deadlines by one year.

Section 12(5) and 12(6): Topics are added to the annual early learning program implementation report that DEL must complete. These topics are the number of contracted slots that use both ECEAP funding and WCCC funding, an analysis of the demand for full-day programming for ECEAP, and a description of the early achievers extension protocol.

Former subsection 9(3) was removed. This removes the requirement that DEL in collaboration with the Early Achievers Review Subcommittee submit a report regarding certain topics every four years, but a yearly report with similar elements was inserted into Section 17 described below.

Section 13(1): Language referring to the ECEAP statute was removed such that a combination of slots and vouchers is to be employed just for subsidized child care programs. Language was changes making it voluntary that the DEL employ a combination of vouchers and contracted slots for the WCCC program.

Section 13(5)(b) States DEL must adopt rules pertaining to absences and de-enrollment procedures within DEL's

appropriations.

Section 13(7) requires DEL to include the number of contracted slots using ECEAP and WCCC funding in the report to the legislature required under Section 17.

Section 15(9)(a) states that the Early Achievers Review Subcommittee's review topics must be included in the annual progress report required in Section 17.

Section 15(9)(c): Specifies that the EA review subcommittee must include parents of children participating in early learning programs including WCCC and ECEAP.

Section 17 was inserted requiring DEL and the EA Review Subcommittee to complete an annual progress report on early achievers. The report includes a number of elements.

Section 18(8) adds a definition for "ECEAP contractor".

Section 18(9) adds a definition for "ECEAP provider".

Section 18(14) changed the definition of "extended day program" such that it's now 10 hours per day, 2,000 hours per year, four days a week, operating year round. Formerly there was no yearly amount required, and the weekly requirement was five days a week. It also replaced the term "child care" with the term "early learning education" in the definition for "extended day program."

Section 18(15) changed the definition of "full day program" to just require a yearly 1,000 hours. The former definition required 6 hours per day and four days per week. Replaced the term "child care" with the term "early learning education" in the definition for "full day program."

Section 18(20): Modifies the definition for "non-school age child" to mean a child who is six years or younger and who is not enrolled in a public or private school.

Section 18(21): Replaced the term "child care" with the term "early learning education" in the definition for "part day program."

Section 18(22): Defined "private school" to mean a private school approved by the state under chapter 28A.195 RCW.

Section 18(25): Modified the definition for "school age child" to mean a child who is between the ages of five years and twelve years and is attending a public or private school or is receiving home-based instruction under chapter 28A.200 RCW.

Sections 19(1) and 19(2) allow the members of the Joint Select Committee on Early Achievers to appoint a designee to serve in their place.

Section 22 was added making Section 7 eliminating WCCC consumer notification requirements effective January 1, 2016.

E2SHB 1491 DESCRIPTION:

Section 2(1) requires the Department of Early Learning (DEL) to collaborate with tribal governments in implementing Early Achievers.

Section 2(3)(a) requires that licensed centers and family home child care programs serving non-school age children participate in Early Achievers by required deadlines.

Section 2(3)(b) requires Early Childhood Education and Assistance Programs (ECEAP) receiving state funded support to participate in Early Achievers by required deadlines.

Section 2(3)(c) specifies that licensed centers and family homes not receiving state subsidy payments and early learning programs not receiving state funds are not required to participate in Early Achievers.

Section 2(3)(d) requires the DEL and Office of the Superintendent of Public Instruction to jointly develop a pilot program to test implementation of the Early Achievers system for school age child care providers and implement a pilot program.

Section 2(4) requires DEL to rate the level of Early Achievers participants.

Section 2(5) requires DEL to streamline and eliminate duplication between early achievers standards and state child care rules in order to reduce costs associated with the early achievers rating cycle and child care licensing.

Section 2(6)(b-c) allows DEL to charge a fee, based on, but not to exceed the cost of, the class of activities associated with the Early Achievers program, for optional additional Early Achievers re-ratings requests made by program participants outside the established rating cycle.

Section 2(7)(a) requires DEL create a single source of information for parents and caregivers to access details on a provider's Early Achievers rating level, licensing history, and other indicators of quality and safety.

Section 2(7)(b) requires DEL to publish on its web site, or provide a link to the following information: By August 1, 2015 the Early Achievers program rating levels one through five for all child care programs receiving state subsidy, early childhood education and assistance programs (ECEAP), and Washington Head Start programs; new early achievers program ratings within 30 days after a program becomes licensed or certified, or receives a rating.

Section 2(7)(c) requires DEL to publish early achievers rating levels on its site in a manner that is easily accessible and takes into account the linguistic needs of parents and caregivers.

Section 2(7)(d) requires DEL to publish Early Achievers program rating levels for programs that do not receive subsidy but have voluntarily joined Early Achievers.

Section 2(7)(e) states that Early Achievers participants who have published rating levels on DEL's website or on a link on the website may include a brief description of their program, contingent on review and approval by DEL, as determined by established marketing standards.

Section 2(8)(a-b) requires DEL to create a professional development pathway for Early Achievers participants to obtain a high school diploma or equivalency or higher education credential in early childhood education, early childhood studies, child development, or an academic field related to early care and education. The pathway must include scholarship and grant opportunities to assist participants with the costs of obtaining an educational degree.

Section 2(8)(c) requires DEL to address cultural and linguistic diversity when developing the pathway.

Section 2(9) requires DEL to pay Early Achievers quality improvement awards for participants with at least five percent of children receiving a state subsidy.

Section 2(10) requires DEL, in collaboration with tribal governments and community and statewide partners, to develop a protocol for granting Early Achievers participants an extension in meeting rating level requirement timelines for the Working Connections Child Care (WCCC) program and ECEAP.

Section 2(10)(a) states that extensions in rating level requirement timelines may be granted under exceptional circumstance such as when participants experience an unexpected life circumstance.

Section 2(10)(b-c) limits extensions to six months duration and one instance and to Early Achievers participants who have demonstrated engagement in the program.

Section 2(10)(d) requires a report outlining the early achievers program extension protocol to be delivered to the appropriate committees of the legislature by December 31, 2015.

Section 2(11) requires DEL to accept nationally accredited programs with standards that meet or exceed the Early Achievers program standards as a qualification for the Early Achievers program ratings, and specifies that eligibility for the Early Achievers program is not subject to bargaining consistent with the Legislature's reservation of rights under RCW 41.56.028(4)(d).

Section 2(12) requires child and early learning programs operated by a federally recognized tribe and that receive state funds to participate in Early Achievers. Tribes may do so through an inter-local agreement with DEL, which must provide that the facility may, but is not required to, be licensed by DEL, that the facility's Early Achievers rating may, but is not required to, be published to DEL's website, and that facilities' must tell parents their Early Achievers level upon request.

Section 2(13) requires DEL to consult with the Early Achievers review subcommittee on all substantial policy changes to the program.

New Section 3(1) requires DEL to adopt a single set of licensing standards no later than July 1, 2016 for child care and the early childhood education and assistance program within DEL's appropriation. They must provide minimum health and safety standards, rely on early achievers standards, take into account separate needs of family care providers and centers, and promote the continued safety of child care settings.

New Section 3(2) states that private schools operating early learning programs and not receiving state subsidy payments shall be subject only to state licensing requirements necessary to assure the health and safety of all students in the state and to assure a sufficient early childhood education to meet usual requirements needed for transition into elementary school. The state, and any agency thereof, shall not restrict or dictate any specific educational or other programs for early learning programs operated by private schools except for programs that

receive state subsidy payments.

Section 4(2) requires that DEL must not impose additional health and safety licensing requirements related to the physical facility beyond the health and safety standards established by the State Board of Health for primary and secondary schools pursuant to its authority in RCW 43.20.050.

New Section 5(1)(a) requires DEL, in collaboration with tribal governments and community and statewide partners, to implement a protocol to maximize and encourage participation in Early Achievers for culturally diverse and low-income center and family home child care providers. Amounts appropriated for encouragement of culturally diverse and low-income center and family home provider participation in early achievers must be appropriated separately from other DEL appropriations, are the only funds that may be used for the protocol, and may not be used for any other purpose. The funds must be considered an ongoing program for purpose of future departmental budget requests.

New Section 5(1)(b) requires DEL, during the first thirty months of Early Achievers implementation, to prioritize resources authorized under this section to assist providers rating at Early Achievers Level 2 to help them reach Level 3 wherever access to subsidized care is at risk.

New Section 5(2)(a) requires, pursuant to this section, the creation of a substitute pool.

New Section 5(2)(b) requires, pursuant to this section, the establishment of needs-based grants for providers at Early Achievers level 2 to assist with purchasing curriculum development, instructional materials, supplies, and equipment to improve program quality. Culturally diverse and low-income providers are prioritized for the needs-based grants.

New Section 5(2)(c) requires DEL to develop materials and assessments, to the extent feasible and in a timely manner, in the provider and family home languages.

New Section 5(2)(d) requires DEL to develop flexibility in technical assistance and coaching structures to provide differentiated types and amounts of support to providers based on individual need and cultural context.

Section 6(2) removes language stating that 12 month eligibility in WCCC is subject to reauthorization sooner than 12 months due to change in circumstances, and inserts language indicating that 12 month eligibility under WCCC should be consistent with Child Care and Development Block Grant (CCDBG) Act reauthorization. These changes become effective January 1, 2016.

Section 6(3) requires existing providers serving non-school age children and receiving state subsidy payments to enroll in Early Achievers and complete level two activities by August 1, 2017, and rate at level 3 or higher by December 31, 2019 or complete remedial activities and rate at a level 3 or higher no later than June 30, 2020.

Section 6(4) requires, effective July 1, 2016, that a new child care provider serving non-school age children and receiving state subsidy payments must enroll in early achievers within thirty days of receiving the initial subsidy payment, complete Early Achievers level 2 activities within twelve months of enrollment, and rate as an Early Achievers level 3 within thirty months of enrollment. If the provider rates below a level 3 the provider must complete remedial activities and rate level 3 or higher within six months of beginning remedial activities.

Section 6(6) states that if a provider has completed all of level 2 activities and is waiting for a rating by deadline

provided in this section, the provider may continue to receive state subsidy pending successful completion of the level 3 rating activity.

Section 6(7) requires DEL to pay Early Achiever participants in the Working Connections Child Care program a tiered reimbursement for rating at level of 3, 4 or 5.

Section 6(8) requires DEL to account for a child care copayment collected by the provider from the family for each contracted slot and establish the fee in rule.

Section 8(3) requires DEL to adopt rules by July 31, 2016 pertaining to WCCC, both for contracted and voucher slots, outlining allowable periods of child absence, required contact with parents or caregivers to discuss child absence and encourage attendance, and a de-enrollment procedure when allowable child absences are exceeded. Rulemaking must be accomplished within DEL's appropriations.

Section 8(4) requires DEL to adopt rules requiring all ECEAP program staff who have unsupervised access to children to submit a fingerprint background check.

Section 9(4)(a) requires existing ECEAP providers, in order to be eligible to receive state-funded support under the ECEAP program, to enroll in early achievers by August 1, 2015.

Section 9(4)(b) requires existing ECEAP providers, in order to be eligible to receive state-funded support under the ECEAP program, to rate a level 4 or 5 in early achievers by January 1, 2016 or complete remedial activities and rate a level 4 or 5 within six months of beginning remedial activities.

Section 9(5)(a) Effective August 1, 2015, requires new ECEAP providers, in order to be eligible to receive state-funded support under the ECEAP program, to enroll in early achievers within 30 days of the ECEAP contract start date.

Section 9(5)(b)(i) Effective August 1, 2015, requires new ECEAP providers, in order to be eligible to receive state-funded support under the ECEAP program, to rate a level 4 or 5 in early achievers within 12 months of enrollment or complete remedial activities and rate a level 4 or 5 within six months of beginning remedial activities.

Section 9(5)(b)(ii) Effective August 1, 2015, requires licensed or certified child care centers and family homes that administer an ECEAP, in order to be eligible to receive state-funded support under the ECEAP program, to rate a level 4 or 5 in early achievers within 18 months of enrollment or complete remedial activities and rate a level 4 or 5 within six months of beginning remedial activities.

Section 9(6) States that if an ECEAP provider has completed all activities and is waiting to be rated by the deadline provided in this section, the provider may continue to participate in early achievers and receive state subsidy pending successful completion of the level 4 or 5 rating. DEL may allow ECEAP providers rated below level 4 after completion of the remedial period to provide services until the current school year is finished.

Section 9(7) requires DEL to periodically collect data to determine demand for full-day ECEAP programming. DEL must analyze demand by geographic region and include the findings in the annual report required in Section 17(5).

Section 9(8) requires DEL to develop a pathway for child care center and family home providers to administer an ECEAP by December 1, 2015.

Section 10 removes the requirement that public or private organizations be "nonsectarian" when reviewing ECEAP provider applications.

Section 11: Programs with the following characteristics will be prioritized for ECEAP implementation for the school year 2015-16: programs located in a high-need geographical area; programs offering extended day early care and education programming; providers participating in early achievers rated at level 3, 4, 5; programs offering services to children diagnosed with a special need; programs offering services to children involved in the child welfare system.

New Section 12(1) requires the education data center to collect longitudinal, student-level data on all children attending an ECEAP, and, upon completion of an electronic time and attendance record system, on all children attending a WCCC program.

New Section 12(2) requires DEL to provide providers data collected under this section that are specific to the provider's program upon completion of an electronic time and attendance record system.

New Section 12(3)(a) requires DEL to review available research and best practices on cultural competency in early learning settings and requires DEL to review K-12 components for cultural competency developed by the professional educator standards board and identify components appropriate for early learning professional development.

New Section 12(3)(b) requires DEL, by July 31, 2016, to provide recommendations to the Legislature and the early learning advisory council on research-based cultural competency standards for early learning professional training.

New Section 12(5) requires DEL to complete an annual early learning program implementation report on ECEAP and WCCC. The report must be posted annually on DEL's website and delivered to the Legislature. The first report is due December 31, 2015 and the final report is due December 31, 2019. New Section 12(5)(c) specifies the topics the report must address.

New Section 12(6) requires that the first annual report due under New Section 12(5) must include a description of the early achievers program extension protocol.

New Section 13(1) states that DEL may provide WCCC services by vouchers and contracts.

New Section 13(2) requires that only child care providers participating in Early Achievers at level 3, 4 or 5 are eligible for a contracted slot.

New Section 13(3) requires DEL to use data to set contracted slots targets. There must be a balance of family home and center child care programs and an overall geographic distribution. The targeted contracted slots are programs located in low-income neighborhoods and that consist of at least fifty percent of children receiving subsidy per RCW 43.215.135. It also requires DEL, until August 1, 2017, to award at least 50% of contracted slots for children ages birth to three.

New Section 13(4) requires that the remaining contracted slots be awarded by a competitive process. Prioritization will occur with at least one of these characteristics: high-need geographic area; partnering with elementary schools to assist with transition of children to kindergarten; children in child welfare system or diagnosed with special needs.

New Section 13(5) requires DEL, by July 31, 2016, to adopt rules in WCCC outlining allowable periods of child absence, required contact with parents and caregivers to discuss absences, encourage regular attendance, and de-enrollment procedure when allowable absences are exceeded. Rulemaking must be accomplished within DEL's appropriation.

New Section 13(6) requires DEL to pay a provider for each contracted slot unless the slot is not used for 30 days.

New Section 13(7) requires DEL to include in the report required under Section 17 the number of contracted slots using both ECEAP and WCCC funds.

New Section 14 allows local governments to contribute funds to DEL for building capacity and quality in local early care and education programming and reductions in copayments charged to parents or caregivers. These funds must be deposited in the early start account created in New Section 16.

Section 15(9)(a) requires the Early Learning Advisory Council to convene an early achievers review subcommittee to provide feedback and guidance on strategies to improve quality of instruction and environment for early learning and recommendations on implementation of early achievers. The subcommittee's review must be a part of the report required under Section 17.

Section 15(9)(b) requires that the subcommittee must consider cultural and linguistic responsiveness when analyzing areas for review under (a).

Section 15(9)(c) details the composition of the subcommittee and requires representatives from diverse cultural and linguistic backgrounds.

New Section 16 creates the early start account in the state treasury. Revenues shall consist of appropriations by the legislature and all other sources deposited into this account. Expenditures are only for early care and education programming and overseen by the Department.

New Section 17 requires DEL, beginning December 1, 2015, in collaboration with the Early Achievers Review Subcommittee, to submit annually a progress report to the governor and legislature regarding providers' progress in early achievers. The report must include the number and providers by region enrolled in early achievers who have complete level 2 activities, rated a level sufficient for ECEAP or WCCC funds, failed to achieve the required rating level and sought remedial activities, a review of services for providers and children from diverse cultural backgrounds, examination of efforts to increase participation by culturally and linguistically diverse providers and providers serving low-income households, a description of obstacles to participation, a summary of extension exception circumstances, analysis of early achievers rating distribution, and recommendations for improving access and program standards.

New Section 18 defines, or modifies existing definitions of, the terms "ECEAP contractor", "ECEAP provider", "extended day program", "full day program", "low income child care provider" and "low income neighborhood", "non-school age child", "part day program", "private school", and "school age child".

New Section 19 establishes a joint select committee on the Early Achievers with members and co-chairs from the Legislature. Under New Section 19(2) the committee, between July 1, 2017 and December 1, 2017, must review demand and availability of licensed family homes and centers, ECEAP and Head Start programs, and FFN caregivers by geographic region, including rural and low income areas. The review must also look at geographic distribution of program type and subsidy receipt, enrollment in early achievers, and rating levels; demand for major ethnic populations. Under New Section 19(3) the committee must make recommendations to the Legislature by December 1, 2017 on sufficiency of funding for early achievers, need for targeted funding in geographic regions, and whether to modify early achievers deadlines.

New Section 20 repeals Chapter 16 Section 2 of 2013 Session Laws of the State of Washington Second Special Session requiring a 10 percent increase in ECEAP enrollment, and increasing rates paid for ECEAP program enrollments by 10 percent, during biennium 2013-15.

New Section 22 makes Section 7 eliminating WCCC consumer notification requirements effective January 1, 2016.

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.

Section 2(5) grants the Department of Early Learning (DEL) the authority to determine the rating cycle for child care providers participating in the early achievers program.

Section 2(5)(c) states that the first rating is free for program participants.

Section 2(5)(d) states that each subsequent rating within the established rating cycle is free for program participants.

Section 2(6) establishes that program participants may request to be rerated outside the established cycle and that DEL may charge a fee based on the actual cost to DEL for rerating activities. DEL estimates that 20 program participants will request rerating per fiscal year due to the cost of the rerating and the department's pre-rating assistance. The cost of rerating is estimated at 60 percent of the full rating costs as only selected areas are rerated. The estimated cost of rerating a child care provider is \$2,144 in Fiscal Year 2016, \$2,189 in Fiscal Year 2017, \$2,234 in Fiscal Year 2018, \$2,276 in Fiscal Year 2019, and then \$2,321 each fiscal year thereafter based upon the contractor's projected actual costs. Cash receipts by fiscal year (for 10 years) are:

FY16: 42,880 (20 X \$2,144 = \$42,880)

FY17: 43,780 (20 X \$2,189 = \$43,780)

FY18: 44,680 (20 X \$2,234 = \$44,680)

FY19: 45,520 (20 X \$2,276 = \$45,520)

FY20: 46,420 (20 X \$2,321 = \$46,420)

FY21: 46,420 (20 X \$2,321 = \$46,420)

FY22: 46,420 (20 X \$2,321 = \$46,420)

FY23: 46,420 (20 X \$2,321 = \$46,420)

FY24: 46,420 (20 X \$2,321 = \$46,420)

FY25: 46,420 (20 X \$2,321 = \$46,420)

Section 8(4):

It is assumed that requiring all ECEAP staff who are to have unsupervised access to children to submit to a fingerprint background check. These program staff are comprised of lead teachers, assistant teachers and family support specialists. It is assumed that MERIT changes are needed and ECEAP staff would not start this process until January 2016.

Cash Receipts:

\$92,400 in fiscal years 2016-25 to process 7,700 background check applications, assuming the cost of the background check is \$12, the increase in revenue is as follows:

FY16: \$17,352 assuming 1,446 current staff positions ($1,446 \times \$12 = \$17,352$).

FY17: \$2,604 assuming 217 new background checks resulting from staff turnover ($217 \times \$12 = \$2,604$).

FY18: \$2,604 assuming 217 new background checks resulting from staff turnover ($217 \times \$12 = \$2,604$).

FY19: \$14,748 assuming 217 new background checks resulting from staff turnover, 1,012 renewals ($1,229 \times \$12 = \$14,748$).

FY20: \$5,208 assuming 217 new background checks resulting from staff turnover, 217 renewals ($434 \times \$12 = \$5,208$).

FY21: \$5,208 assuming 217 new background checks resulting from staff turnover, 217 renewals ($434 \times \$12 = \$5,208$).

FY22: \$15,144 assuming 217 new background checks resulting from staff turnover, 1,045 renewals ($1,262 \times \$12 = \$15,144$).

FY23: \$7,032 assuming 217 new background checks resulting from staff turnover, 369 renewals ($586 \times \$12 = \$7,032$).

FY24: \$7,032 assuming 217 new background checks resulting from staff turnover, 369 renewals ($586 \times \$12 = \$7,032$).

FY25: \$15,468 assuming 217 new background checks resulting from staff turnover, 1,072 renewals ($1,289 \times \$12 = \$15,468$).

Assumptions:

DEL assumes 1,643 staff would need Portable Background Checks under this section. This is based on 2014-15 school year positions of 576 lead teachers, 576 assistant teachers and 491 family support specialists. 12% of ECEAP sites are in licensed child care and therefore already have the portable background check. Therefore we estimate that 88% of 1,643 staff need the portable background check ($1,643 \times 88\% = 1,446$).

DEL assumes a 15% turnover rate in lead teacher, assistant teacher and family support specialist positions in each of the fiscal years.

Portable background checks are renewed every three years.

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(1):

This section requires collaboration with tribal governments in implementing Early Achievers and will require a new tribal liaison position classified as WMS2. This new staff would also coordinate with tribes in developing a protocol for granting Early Achievers participants an extension in meeting rating level requirement timelines for the Working Connections Child Care (WCCC) program and ECEAP as required in section 2(10). Additionally, this staff would coordinate with tribes to implement a protocol to maximize and encourage participation in Early Achievers for culturally diverse and low-income center and family home child care providers as required in section 5(1).

DEL assumes that the tribal liaison would visit each of the 29 federally recognized tribes at least four times a year taking up to 928 hours (0.45 FTE). The staff would coordinate regional meetings to conduct work required by sections 2(1), 2(10) and 5(1) estimated at 3 full day meetings per section, in five areas of the state, or 3 meetings x 3 bill sections x 5 locations x 8 hours = 360 hours (0.17 FTE). The remaining 792 (0.38 FTE) hours would be spent coordinating inter-local agreements under section 2(12), participating in other meetings at or outside of DEL, replying to e-mails, writing documents and other administrative tasks.

FTE, Salary and Benefits: 1.0 FTE WMS2 costing \$99,838 in each of fiscal years 2016 through 2021, assuming the mid-point of the WMS2 pay scale.

Goods and Services: \$750 each fiscal year for direct goods and services for the FTE.

Travel: \$10,000 in each of fiscal years 2016-2021 for attendance at national conferences on Native American education and child care, and for travel to meet with the 29 federally recognized tribes in Washington State and other organizations.

Equipment: A one-time expenditure of \$6,000 in fiscal year 2016 for necessary office furniture and equipment for the FTE.

Intra-agency Reimbursements: \$32,547 in each of fiscal years 2016-2021 for indirect costs for agency administration and central services, calculated at 32.6 percent of direct salaries and benefits ($\$99,838 \times 32.6\% = \$32,547$). This is for administration and management of the department including governance, executive management, fiscal operations, human resources, communications and outreach, government relations and agency information technology services. It is also for agency central services including space and utilities, data processing fees and computer leases, communications, attorney general and audit services and other mandatory charges for services from the Office of Administrative Hearings, Secretary of State, Department of Enterprise Services, and other central service agencies.

Section 2(3)(d):

Professional Services Contracts: \$250,000 in Fiscal Year 2016 and \$750,000 in Fiscal Year 2017.

This section requires DEL to design a plan and pilot a school-age connection to Early Achievers in licensed facilities serving children age 5-12 years in before- and afterschool settings. DEL will enter into a contract to design the plan and pilot it in 5 geographic areas of the state. Funding will support: 1) contracts to 5 educational organizations (that have successfully won a competitive bid to run the pilot local) to support regional coordination of pilot activities and coaching based on quality improvement data and professional development/training; 2) incentives to direct programs; 3) data collection and rating; and 4) evaluation of pilot activities. Pilot planning and design will occur during the first half of Fiscal Year 2016; these costs will be absorbed within DEL's current capacity. RFPs, training, staffing and preparation for pilot roll out will occur

during the second half of Fiscal Year 2016. Total contractual costs in Fiscal Year 2016 are \$250,000. The school age pilot will commence in the beginning of Fiscal Year 2017 and total contractual costs will be \$750,000. These costs are based on the original QRIS pilot for the 0-5 population, which was implemented in a similar manner. As a pilot, there are no ongoing costs.

Section 2(5):

DEL will meet this requirement by extending its existing contracts for raters, technical assistance, and software licenses to increase early achiever participation rates to an average of 90 percent of all licensed child care (WCCC and non-WCCC), ECEAP, and Head Start providers in each of Fiscal Years 2016-21.

Note for WCCC:

In order to forecast costs associated with mandatory Early Achievers participation, DEL makes the following assumptions:

- The Early Achievers participation rates for Working Connections Child Care providers is 100% for providers serving non-school aged children, starting fiscal year 2016. This participation level is assumed as the participation rate over the duration of the fiscal year, and does not reflect a point in time account.
- Provider churn is expected. New providers enter the system during any given year and providers exit in the same period.
- Due to churn, a point in time count of EA providers may range from 93 - 95% participation, factoring in a lag of 30 days or less for a new provider to enter the system and enroll in EA consistent with the 30-day enrollment requirement mandated by the bill.
- The result of provider churn will be short-term fluctuations in participation levels during the given fiscal year.
- The combined impact of entering and exiting providers will net to zero over the course of year, therefore, no additional costs or notable savings are assumed as a result of this churn.

The expense line items Ratings and Monitoring, Rating Tool, Coaching, Technical Assistance (Level II), Training (Level II), School Readiness Training, Coach Training and EA Institutes, Quality Improvement Awards, ECEAP/ HS Incentives, Information Materials and Dissemination, Core Services/ Network, IT Support, Program Evaluation, Technical Assistance and Expansion, Research and Data Analysis, and Program Staff are current ratings activities underway in Early Achievers. Total costs by Fiscal Year for the following 16 line items roll up as follows: \$49,109,288 in Fiscal Year 2016, \$53,598,534 in Fiscal Year 2017, \$61,326,767 in Fiscal Year 2018, \$68,163,008 in Fiscal Year 2019, and \$69,179,143 in Fiscal Year 2020, and \$69,179,143 in Fiscal Year 2021.

Professional Service Contracts:

FY16: \$ 47,870,246
FY17: \$ 52,543,660
FY18: \$ 60,182,188
FY19: \$ 67,012,029
FY20: \$ 68,022,316

FY21: \$ 68,022,316

Comprised of the following:

--Ratings contractual costs total \$3,722,702 in Fiscal Year 2016 and \$4,741,578 in Fiscal Year 2017. These expenses fund the activities and work done to collect, assess and report quality ratings to centers and family homes, inclusive of ECEAP and Head Start. Funding is influenced by actual and projected volumes of providers ready to be rated, but is then spread more evenly over the biennium to account for volume volatility to allow the University of Washington (UW) to cover costs considered fixed in the short term, manage recourses and support the infrastructure during EA program ramp up. In Fiscal Year 2016 DEL forecasts that its partner the University of Washington (UW) will rate 1,042 centers and homes, inclusive of rating renewals. The base cost per rating in 2015 is \$3,500. Cost per rating in Fiscal Year 2016 is \$3,574. Beginning in Fiscal Year 2017, DEL assumes a 5% cost savings in ratings once an alternate pathway for national accreditation is established. These savings are realized in the ratings costs associated with centers and homes. These cost savings are not applied to the ratings costs associated with ECEAP/ Head Start facilities. These savings are only realized in the ratings costs associated with licensed centers and homes that accept subsidy. These cost savings are not applied to the ratings costs associated with ECEAP/ Head Start facilities. In Fiscal Year 2017 DEL forecasts that UW will rate 1,359 centers and homes, inclusive of renewals. Cost per rating in Fiscal Year 2017 is \$3,649. Ongoing costs for these activities are \$6,850,558 for fiscal year 2018, \$6,256,078 for Fiscal Year 2019, and \$4,995,338 for each of Fiscal Years 2020-21. In Fiscal Year 2018 DEL forecasts that UW will rate 1,902 centers and homes, including renewals. In Fiscal Year 2019 DEL forecasts that UW will rate 1,724 centers and homes, including renewals. In Fiscal Years 2020-2021 DEL forecasts that UW will rate 1,353 centers and homes, inclusive of rating renewals. Cost per rating in Fiscal Years 2018 is \$3,725. The cost per rating in 2019 is \$3,795. The cost per rating in 2020-21 is \$3,870.

Note: Of the costs listed above, the following costs and volume assumptions are based on ECEAP expansion of 3,179 slots in each of Fiscal Years 2016-2017 and 3,224 slots in each of Fiscal Years 2018-2019 to meet the requirements of RCW 43.215.456 to serve all eligible children by 2018-19:

- In Fiscal Year 2016 the cost for ECEAP is \$378,791 for 106 ECEAP facilities.
- In Fiscal Year 2017 the cost for ECEAP is \$386,746 for 106 ECEAP facilities.
- In Fiscal Year 2018 the cost for ECEAP is \$402,318 for 108 ECEAP facilities.
- In Fiscal Year 2019 the cost for ECEAP is \$812,041 for 214 ECEAP facilities.
- In Fiscal Year 2020 the cost for ECEAP is \$410,209 for 106 ECEAP facilities.
- In Fiscal Year 2021 the cost for ECEAP is \$417,949 for 108 ECEAP facilities.

**Per child costs associated with funding new ECEAP slots are not included elsewhere in this fiscal note.

--Rating Tool contractual costs total \$111,468 in Fiscal Year 2016 and \$145,459 in Fiscal Year 2017 for a total of \$256,926 for 2015-17 (\$111,468 + \$145,459 = \$256,926). These expenses fund the CLASS and ERS assessments that are used to determine individual early achievers provider ratings. The weighted average cost to process a rating in the WELS software system is \$107. This is the current weighted average cost to process a rating in the WELS software system. Unit cost is based on the combined costs to process ERS and CLASS assessments. ERS assessments are \$17.50 per classroom assessed and ERS assessments are performed on one third of classrooms in a facility. Unit cost for the first CLASS assessment is \$50 per facility and \$2 for each additional classroom. CLASS assessments are performed on the classrooms that do not receive and ERS assessment in a facility. If a facility has 10 or more classroom, CLASS assessments are performed on 50% of the classrooms in the facility. Ongoing costs for these activities are \$203,550 for fiscal year 2018, \$184,454 for fiscal year 2019, and \$144,812 for each fiscal year 2020-21.

--Coaching contractual costs totaling \$11,581,952 in Fiscal Year 2016 and \$17,550,084 in Fiscal Year 2017. These expenses fund the costs of coaching at facilities and direct program support from Child Care Aware needed to carry out all expense line item activities such as travel, program personnel, personnel professional development, supplies, etc. These contractual costs fund the individual coaches' salaries and benefits, coaching activities for centers and homes, and coaching coordination via supervisor(s). Weighted average coaching unit cost is \$6,020 per facility in Fiscal Year 2015. It is estimated that one coach can providing coaching to 18 facilities per year at an average of 4.9 hours per facility per month. It is estimated that a supervisor can oversee the coaching activities for 89 facilities per year; this is a 1 to 5 ratio. Total coaching costs per facility are \$4,909. Total supervisory costs per facility are \$1,111. ($\$4,909 + \$1,111 = \$6,020$). Coaching cost per facility in 2016 is \$6,140. Coaching cost per facility on 2017 is \$6,261. Coaching cost per facility in 2018 is \$6,381. Coaching cost per facility in 2019 is \$6,562. Coaching cost per facility in 2020-2021 is \$6,682. Non-variable costs to administer this program by DEL's partner Child Care Aware of Washington are \$787,382 in Fiscal Year 2016, \$851,997 in Fiscal Year 2017, \$895,340 in Fiscal Year 2018, \$942,851 in Fiscal Year 2019, and \$937,662 in Fiscal Years 2020-2021. Total ongoing contractual costs for these activities are \$22,526,930 for fiscal year 2018, \$26,954,619 for fiscal year 2019, and \$29,676,944 for each fiscal year 2020-21.

--Technical Assistance (TA) and Ratings Readiness contractual costs totaling \$6,756,013 in Fiscal Year 2016 and \$6,065,982 in Fiscal Year 2017. These expenses fund the following activities: (1) Level II Technical Assistance, a service available to providers who enroll in EA to help them complete the requirements of Level II; (2) Rating Readiness, a provider specific service tailored to the provider's individual needs to prepare for the ratings process after completing the Level II requirements; and (3) Pre-enrollment, which represents the cost of outreach to attract non-participating program to participate in EA and includes awareness, outreach and marketing. Total cost for TA in 2016 is \$2,805,624. Total cost for TA in 2017 is \$2,061,700. Total cost for TA in 2018 is 2,101,260. Total cost for TA in FY 2019 is \$2,161,258. Total cost for TA in 2020-2021 is \$2,200,817 in each fiscal year. Total cost for Rating Readiness in 2016 is \$2,941,115. Total cost for Ratings Readiness in 2017 is \$2,947,185. Total cost for Ratings Readiness in 2018 is \$2,384,355. Total cost for Ratings Readiness in 2019 is \$1,949,126. Total cost for Ratings Readiness in 2020-2021 is \$1,167,956, in each fiscal year. Average cost per facility for Level II Technical Assistance in 2015 is \$3,007 comprised of \$136 per hour (blended across homes and centers) of Technical Assistance for 22 hours per facility (2/month). Average cost per facility for rating readiness in 2015 is \$3,115 per facility comprised on \$107 per hours of rating readiness consultation (blended across centers and homes) and an average of 29 hours per facility per year. TA per facility in 2016 is \$3,067. TA per facility in 2017 is \$3,127. TA per facility in 2018 is \$3,187. TA per facility in 2019 is 3,278. TA per facility is 2020 - 2021 is 3,338. Rating Readiness per facility in 2016 is \$3,177. Rating Readiness per facility is 2017 is \$3,240. Rating Readiness per facility in 2018 is \$3,302. Rating Readiness in 2019 is \$3,395. Rating Readiness in 2020-2021 is \$3,458. Total cost to administer Pre-Enrollment Outreach by DEL's partner Child Care Aware of Washington is \$555,947 in Fiscal Year 2016, \$566,848 in Fiscal Year 2017, \$577,749 in Fiscal Year 2018, \$594,100 in Fiscal Year 2019, and \$605,001 in Fiscal Years 2020-2021. Pre-enrollment costs represent an annual fixed cost based on CCA's historical expenditures and is agreed upon by DEL and CCAWA. Non-variable costs to administer activities within this line item by DEL's partner Child Care Aware of Washington are \$453,327 in Fiscal Year 2016, \$490,248 in Fiscal Year 2017, \$515,189 in Fiscal Year 2018, \$542,527 in Fiscal Year 2019, and \$539,541 in Fiscal Year 2020-2021. Total ongoing contractual costs for all activities in this line item are \$5,578,552 for fiscal year 2018, \$5,247,011 for fiscal year 2019, and \$4,513,316 for each fiscal year 2020-21.

--Training contractual costs totaling \$575,070 in Fiscal Year 2016 and \$513,676 in Fiscal Year 2017. These expenses fund the series of six professional development training units providers must complete prior to being eligible to submit for rating. Average Level II training cost per facility is \$333 in Fiscal Years 2015. This is based

on the assumption of \$22 per participant per hour and an average of 12 hours for an average of 1.25 participants for each provider. Training cost per facility in 2016 is \$340. Training cost per facility in 2017 is \$346. Training cost per facility in 2018 is \$367. Training cost per facility in 2019 is \$377. Training cost per facility in 2020-2021 is \$384. Non-variable costs to administer this program by DEL's partner Child Care Aware of Washington are \$264,046 in Fiscal Year 2016, \$285,551 in Fiscal Year 2017, \$300,078 in Fiscal Year 2018, \$316,001 in Fiscal Year 2019, and \$314,262 in Fiscal Years in 2020-2021. Total ongoing contractual costs for these activities are \$542,049 for fiscal year 2018, \$564,565 for fiscal year 2019, and \$567,442 for each fiscal year 2020-21.

--School Readiness Training, Coach Training and EA Institute contractual costs total \$4,839,417 in Fiscal Year 2016 and \$4,463,468 in Fiscal Year 2017. These costs pay for developing and operating a training system for coaches and technical assistant specialists in the Early Achievers Standards, Environment Rating Scales, Classroom Assessment Scoring System, and WELS platform and Early Achievers coach framework. It is estimated that UW will train at least 200 coaches. These costs also include coaching consultation costs to facilitate monthly coach consultation meetings Experimental Education Unit (EEU) Coaching – costs to send 50 coaches this year to the Haring Center to train with master instructors and the UW coach team on how to support children with special needs in inclusive environments. Monthly consultation to follow by EEU and the UW coach team. Lastly, these costs cover Early Achievers Institutes – at least two Institutes yearly that include training in the Early Achievers standards, CLASS reliability, STEM curriculum, and evidence based parenting curriculum. Institutes serve approximately 500 EA providers per year. Total ongoing contractual costs for these activities are \$2,794,683 for fiscal year 2018, \$3,661,628 for fiscal year 2019, and \$3,634,984 for each fiscal year 2020-21.

--Quality Improvement Awards contractual costs total \$4,155,306 in Fiscal Year 2016 and \$6,126,148 in Fiscal Year 2017. These costs pay for annual awards paid out by DEL staff to licensed subsidy providers in early achievers programs based on rating level 3-5. The awards are used to sustain and improve quality efforts throughout the life cycle of a provider's rating. Amount awarded varies by quality rating. Ongoing costs for these activities are \$7,648,846 in Fiscal Year 2018, \$8,804,978 in Fiscal Year 2019 and \$9,423,546 in Fiscal Years 2020-21. Award assumptions: In Fiscal Year 2015 DEL has allotted and contracted \$2,781,959 for Quality Improvement Awards. Awards for family homes are \$2,000 per year for level 3, \$2,250 per year for level 4, and 2,750 per year for level 5. Awards to child care centers are \$5,000 per year for level 3, \$7,500 per year for level 4, and \$9,000 for level 5. Awards amounts for homes and centers remain the same as Fiscal Year 2015 from Fiscal Year 2016 – 2021. In fiscal year 2016, DEL anticipates awarding 404 centers level 3 awards, 83 centers level 4 awards, 617 homes for level 3, and 126 homes for level 4. DEL anticipates a total of 1229 centers and homes will be awarded Quality Improvement awards in FY 2016. In Fiscal Year 2017 DEL anticipates awarding 552 centers for level 3, 113 centers for level 4, 1,023 homes for level 3, and 210 homes for level 4. DEL anticipates a total of 1,898 centers and homes will be awarded Quality Improvement awards in Fiscal Year 2017.

--ECEAP/Head Start Incentives contractual costs totaling \$4,068,103 in Fiscal Year 2016 and \$4,570,690 in Fiscal Year 2017. These costs fund stipends paid out by DEL staff that assist Head Start and ECEAP grantees and contractors who provide technical assistance to sites on the early achievers Reciprocity Pathway. Funds also support shared services alliances that provide comprehensive services to families and professional development to regional early learning programs. Unit cost per ECEAP/ HS incentive is \$5,000 per facility in Fiscal Years 2016-2021. Awards are given to Level 4 and 5 ECEAP/ HS facilities. DEL anticipates awarding 814 ECEAP/HS facilities with ECEAP/HS incentives in Fiscal Year 2016 DEL anticipates awarding 914 ECEAP/HS facilities with ECEAP/HS incentives in Fiscal Year 2017. DEL anticipates awarding 1,017 ECEAP/HS facilities with ECEAP/HS incentives in Fiscal Year 2018. DEL anticipates awarding 1,119 ECEAP/HS facilities with

ECEAP/HS incentives in Fiscal Year 2019. DEL anticipates awarding 1,119 ECEAP/HS facilities with ECEAP/HS incentives in Fiscal Year 2020. DEL anticipates awarding 1,119 ECEAP/HS facilities with ECEAP/HS incentives in Fiscal Year 2021. Ongoing costs for these activities are \$5,082,759 in Fiscal Year 2018, \$5,594,828 in Fiscal Year 2019, \$5,594,828 in Fiscal Year 2020 and \$5,594,828 in Fiscal Year 2021.

Note: Of the costs listed above, the following costs and volume assumptions are based on ECEAP expansion of 3,179 slots in each of Fiscal Years 2016-2017 and 3,224 slots in each of Fiscal Years 2018-2019 to meet the requirements of RCW 43.215.456 to serve all eligible children by 2018-19:

- In Fiscal Year 2016 the cost for ECEAP is \$516,582 for 103 ECEAP facilities.
- In Fiscal Year 2017 the cost for ECEAP is \$1,033,165 for 312 ECEAP facilities.
- In Fiscal Year 2018 the cost for ECEAP is \$1,559,494 for 312 ECEAP facilities.
- In Fiscal Year 2019 the cost for ECEAP is \$2,085,823 for 417 ECEAP facilities.
- In Fiscal Year 2020 the cost for ECEAP is \$2,085,823 for 417 ECEAP facilities.
- In Fiscal Year 2021 the cost for ECEAP is \$2,085,823 for 417 ECEAP facilities.

**Per child costs associated with funding new ECEAP slots are not included elsewhere in this fiscal note.

--Core Services and Network Administration contractual costs total \$3,178,481 in Fiscal Year 2016 and \$3,340,885 in Fiscal Year 2017. These expenses fund CCA administration: (1) the cost of direct administration of EA programs from a statewide perspective, and (2) the indirect management and overhead cost at the network level (board of trustees, indirect management and general and contract compliance). Note: the cost of direct program administration is allocated to each program (Coaching, Technical Assistance (Level II), Training (Level II) and Scholarship and Tuition Reimbursement). Ongoing costs for these activities are \$3,462,168 for fiscal year 2018, \$3,592,540 for fiscal year 2019, and \$3,617,790 for each fiscal year 2020-21.

--DEL will create Early Achievers Resource Alliances, formerly known as the Training Resource Centers. Payments total \$3,899,980 in Fiscal Year 2016. This cost will pay a one-time lump sum payment to a total of 70 Head Start/ECEAP grantees and/or contractors, which equals \$55,714 per recipient (\$3,899,980 divided by 70 = \$55,714). The purpose of the payments is to establish and extend comprehensive service supports to regional early learning programs through implementing shared service alliances across the state. Establishment of alliances began with the existing Training Resource Centers and would extend across the state over four years until 70 alliances were established. The alliances would offer community based support for comprehensive services of wrap around supports for families who need additional support outside of quality early learning. The alliances would also support Early Achievers readiness activities and a pathway for family home providers to implement ECEAP. After the alliances are established, ongoing funding is assumed in costs for the ECEAP/Head Start Incentives in this section.

--Savings from streamlining: It is assumed that requiring DEL to streamline and eliminate duplication between early achievers standards and state child care rules will be cost neutral as to rating and data collection because raters will still need to go on-site to collect data for the rating. However, savings of a little over two percent in Fiscal Years 2016 - 2021, will be realized as programs require less preparation for ERS and licensors provide some of this assistance. Savings in Fiscal Year 2016 total (\$100,000). Savings in 2017 total (\$9,403). Savings in 2018 total (\$9,584). Savings in 2019 total (\$9,588). Savings in 2020 and 2021 total (\$10,038) in each fiscal year. This requirement will also require negotiated rulemaking as described in section 3.

--Program Evaluation contractual costs totaling \$1,476,268 in Fiscal Year 2016 and \$1,726,313 in Fiscal Year 2017. These costs are paid to UW for research and evaluation on the multiple components of the Early Achievers system including the impact of coaching specializations and the coaching system on program quality, on-going evaluation of the EA standards linked to child outcomes and the increased quality elements within ECEAP linked to child outcomes. This may include on-site evaluation of children as well as program measures. This work will also support DEL in meeting the requirements of Section 17, annual progress reporting. Ongoing costs for these activities are \$2,272,248 in fiscal year 2018, \$2,982,128 in fiscal year 2019, and \$3,178,046 in each fiscal year 2020-21.

--Technical Assistance and Expansion support are contracted costs totaling \$305,660 in Fiscal Year 2016 and \$315,425 in Fiscal Year 2017. These costs are to fund ongoing national and state technical assistance for statewide implementation of the early learning system in addition to strategic consulting, assistance with report writing and communication materials for state and national audiences. This work will also support DEL in meeting the requirements of Section 17, annual progress reporting. Ongoing costs for these activities are \$312,015 in Fiscal Year 2018; \$341,000 in Fiscal Year 2019; \$311,860 in each Fiscal Year 2020-21.

--Research Data Analysis contracted costs totaling \$2,224,856 in Fiscal Year 2016 and \$2,293,465 in Fiscal Year 2017. These are costs monitor and evaluate program performance and cost effectiveness of Early Achievers, workforce analysis, and kindergarten readiness, and other areas across DEL's statewide systems, partners, and early learning providers and professionals. Currently this is a contracted service because of the need to utilize independent third party evaluation (so that results are accepted by the field), technical assistance to and for key DEL partners (such as CCA), and specialized economic, quantitative/statistical and financial expertise across a wide array of activities. 45 percent of the costs are for finance (Early Achievers ecosystem cost analysis), economics (tiered subsidy and cost of quality), quantitative modeling (ECEAP, changes in provider costs relative to policy changes, etc.), partner technical assistance (Child Care Aware, University of Washington, etc.), cost effectiveness (cost per child, cost per coach, and cost per professional development incentive. 55% of the cost support data analytics repository (DAR) and related performance monitoring and reporting (ratings, subsidy, geographical and longitudinal analysis, etc.), annual workforce analysis and reporting, kindergarten readiness demographic and statistical analysis (WaKIDS). This work will also support DEL in meeting the requirements of Section 17, annual progress reporting. Ongoing costs for these activities are \$2,217,484 in Fiscal Year 2018; \$2,137,858 in Fiscal Year 2019; and \$1,673,518 in each Fiscal Year 2020-21. During the ongoing period DEL will transfer these duties to newly hired internal staff in Section 17.

IT Professional Service Contracts:

FY2016: contracted IT services, \$1,074,970

FY2017-21 (each year): contracted IT services, \$699,930

For FY2016, costs are \$1,074,970 comprised of \$999,990 for contracted IT services and a one-time cost of \$74,980 for an Early Achievers/MERIT Contracted Technical Project Manager. For each FY2017- 21, costs are \$669,930 for the contracted IT services.

FTE, Salary and Benefits: 1.0 program specialist 5 costing 89,835 in each of fiscal years 2016-21 who will be required to negotiate and monitor contracts for each fiscal year 2016-21.

Goods and Services:

FY16: \$1,113,921
FY17: \$1,003,209
FY18: \$1,025,458
FY19: \$1,031,858
FY20: \$1,037,706
FY21: \$1,037,706

These costs are comprised of the following:

--Information Technology (IT) System Support infrastructure required to update and maintain MERIT, the departments system for tracking early achiever providers; for software licenses for WELS, our rating tool, and for purchasing, modifying and maintain a help desk software solution and costs are as follows:

FY2016-21: \$750 in each fiscal year for direct goods and services for the FTE.
FY2016: software licenses, \$580,019; other goods and services (security infrastructure), \$100,000.
FY2017: software licenses, \$284,731; other goods and services, (security infrastructure) \$100,000.
FY2018: software licenses, \$289,956; other goods and services, (security infrastructure) \$100,000.
FY2019: software licenses, \$296,356; other goods and services, (security infrastructure) \$100,000.
FY2020-21 (each year): software licenses, \$302,204; other goods and services, (security infrastructure) \$100,000.

--Information Material and Dissemination costs totaling \$433,152 in Fiscal Year 2016 and \$550,272 in Fiscal Year 2017. This includes translation services needed to dissemination information to publically communicate different work within the activities of the grant to providers, families and the public and the printed materials. These materials are ordered by DEL staff and disseminated to child care providers and professionals. Average cost per facility for information, material and dissemination is \$128 for Fiscal Years 2016-2021. Ongoing costs for these activities are \$634,752 in each Fiscal Year 2018-21.

Equipment: A one-time expenditure of \$6,000 in fiscal year 2016 for necessary office furniture and equipment for the FTE

Intra-agency Reimbursements: \$29,286 in each of fiscal years 2016-21 for indirect costs for agency administration and central services.

The requirement that DEL streamline and eliminate duplication between early achievers standards and child care rules to reduce costs is expected to result in indeterminate savings. Initial licensing and ongoing licensing monitoring of licensed child care providers would continue, with associated costs. Negotiated rulemaking with the union representing family home child care providers would be required for any changes to licensing requirements for these providers. The extent of changes would dictate staffing needs and cost for an Administrative Regulations Analyst 4 position to accomplish the work.

Section 2(7)(a):

This section requires DEL to have a single search tool incorporating licensed child care, ECEAP and Head Start. Currently, there exists no single source for provider information on licensed child care, ECEAP, and Head Start. Child Care Aware maintains a database of provider-reported information on their programs, but does not include

licensing information stored in Child Care Check. Additional (and mostly unique) information on licensed providers is currently available on the Child Care Check website, but development is needed to include data for ECEAP and Head Start and to merge Child Care Check and Child Care Aware sites into a single source of information as required under this section.

Professional Service Contracts: \$510,030 in fiscal year 2016, comprised of:

Creating a single search tool by combining the Child Care Aware and Child Care Check websites is estimated to cost \$810,040 from design through implementation. There is a grant request to the Bill and Melinda Gates Foundation for funding and to date the foundation has approved funding for Phases I and II through June 30, 2015. Phase I will deliver a needs assessment, preliminary costs estimate and a gap analysis of the two websites. Phase II will deliver development options. Funding of \$130,000 for the first two phases has been approved by the foundation and the work has begun.

--Phase III is the development of the single search website, and Phase IV is to launch and for transition activities. It is estimated Phase III will cost \$310,487, and Phase IV \$29,533 for a total of \$340,020 unfunded costs. It is further assumed that DEL and Child Care Aware will have combined costs associated with Phases III and IV in a like amount of \$340,020, but that Bill and Melinda Gates Foundation grant funding of \$170,010 will be approved. Ongoing costs to maintain the new website would be within current DEL resources if it is decided DEL would manage the site. The total cost of this section is therefore \$510,030 ($\$340,020 + \$340,020 - \$170,010 = \$510,030$).

Section 2(7)(b)

This section requires DEL to publish the early achievers program levels for licensed child care, ECEAP and Head Start.

It is assumed that the department will meet the August 1, 2015 deadline for publishing licensed child care ratings and will be done with existing resources. It is assumed publishing the ratings for ECEAP and Head Start providers will require programming changes that will be done with existing resources but will not be completed by the August 1, 2015 deadline.

Section 2(7)(c):

This section requires DEL to publish the early achievers program levels for licensed child care, ECEAP and Head Start in a manner that is easily accessible and accounts for the linguistic needs of the parents and caregivers.

It is assumed that the department will enter into a personal services contract to meet this requirement in Fiscal Year 2016 at a one-time cost of \$100,000. The contractor will plan, implement, and test usability of the web site for effectiveness, efficiency, and user satisfaction; implement user feedback using an iterative design process; review, test, and provide recommendations for improvement of web-based information; and lead design sessions for improvements, including integration of multiple language support. This contract will also include translation of the three most prevalent provider languages in order to meet the linguistic needs of parents and caregivers.

Section 2(7)(e):

This section requires the department to allow providers to put information about their program on the

department's web site. This entails review and approval of approximately 8,000 providers' content added to Child Care Check above and beyond Child Care Check's current maintenance needs. It is assumed each provider will add or change content twice per year and that each change will require fifteen minutes to review and approve. It is assumed that DEL will maintain a backlog of content for review and approval.

FTE, Salary and Benefits: 1.0 FTE Program Specialist 5 (PS5) costing \$89,835 in each of fiscal years 2016-2021. DEL will require a program specialist to develop marketing standards, review and approve provider information, and update the web site.

Goods and Services: \$750 in each of fiscal years 2016-21 for direct goods and services for the PS5 FTE.

Equipment: A one-time expenditure of \$6,000 in fiscal year 2016 for necessary office furniture and equipment for the FTE

Intra-agency Reimbursements: \$29,286 in each of fiscal years 2016-21 for indirect costs for agency administration and central services.

Section 2(8)(a):

This section requires the development of a professional development pathway and DEL will meet this requirement with existing resources.

Section 2(8)(b):

This section requires DEL to provide scholarships and grants to assist in professional development pathways. DEL will meet this requirement by continuing its current Early Achievers professional development incentives, retention award incentives, education verification services, opportunity grants, and scholarship and training (S&T) reimbursements. DEL's partner the Washington State Board of Community and Technical Colleges administers DEL's Opportunity Grants program and their contract is inclusive of administrative overhead costs. DEL's partner Child Care Aware of Washington administers the S&T reimbursement program and their contract is inclusive of administrative overhead costs. Education verification services are provided by DEL's partner Centralia College and their contract is inclusive of administrative overhead costs. The contractor Chaves Consulting, Inc. processes the payments in the form of individual checks for professional development incentives (pre-existing degree incentives and retention award incentives), quality improvement awards noted in section 2(5), provides 1099 tax reporting for providers, and customer service for taxes, incentives and address changes. At the close of the RTT-ELC grant, DEL will move payment and tax document processing for professional development incentives and quality improvement awards in house. DEL will require additional staff as it moves payment of these items from the existing contractor to the department. The activities and associated services above are not enhanced or increased from current Early Achievers activities. Total cost by fiscal year for staff and staff supports, pre-existing degree incentives, retention incentives, education verification services, opportunity awards, and S&T reimbursement are \$8,115,297 in Fiscal Year 2016, \$7,921,578 in Fiscal Year 2017, \$7,983,721 in Fiscal Year 2018, \$7,615,601 in Fiscal Year 2019, and \$7,555,890 in Fiscal Years 2020-2021.

FTE, Salary and Benefits: 11.5 FTE in FY16, \$986,499 and 9.5 FTE in each of fiscal years 2017-21, \$838,322, comprised of:

--1.0 WMS-3 Manager to lead daily operations for professional development, the Quality Rating and Improvement System and state prekindergarten initiatives. The WMS-3 will coordinate this work across divisions and sectors to ensure sound implementation and integration of these efforts. The position will work with internal DEL partners and external stakeholders to support essential alignment with other DEL and statewide early learning initiatives. The position will support the assistant director of the division of Quality Practice and Professional Growth.

Additionally, the WMS-3 Manager described in this section would support the consultation work activities required by section 2(13) and support the staff work performed by senate committee services and the house of representatives office of program research described in Section 19(4), completing tasks such as developing policy and communication documents, and communicating with legislative fiscal staff and committee members.

--2.0 Customer Service Specialists 3 to provide technical assistance via phone and email to support providers using MERIT. As Early Achievers participating provider volumes increase, additional staff are needed to ensure providers can complete necessary information in MERIT and access professional development scholarships. Customer Service Specialists will support MERIT technical assistance for up to 1,000 additional licensed child care providers and their staff.

--0.5 Information Technology Specialist 2 (ITS2) to provide help desk support to over 40 new FTE for fiscal years 2016-21.

--1.0 Information Technology Specialist 4(ITS4) to act as a Quality Assurance Test Engineer (software tester). Software testing is currently performed by the business team rather than a trained IT professional. This position would assist in reduced defects and facilitate more robust testing to ensure our systems gather, hold, and make available the data necessary to meet program requirements.

--2.0 ITS5s. The first will act as Software Developer to continue to develop, maintain, troubleshoot and document mission-critical software systems. The systems have expanded and can no longer be sustained by a single developer. There is risk in having the knowledge rely within a single person and cross-training and knowledge transfer will be possible with a second resource. The second FTE will act as a Project Manager to effectively plan, initiate, and manage multiple software application development/implementation projects related to Early Achievers.

--1.0 Information Technology Systems and Application Specialist (ITS6) Enterprise Architect to ensure that business and IT processes are in alignment as efforts under the early start act continues to integrate and evolve. The enterprise architect will link the business mission, strategy, and process to the IT strategy, and will document this using multiple architectural models to show how the current and future needs can be met in an efficient sustainable, agile, and adaptable manner.

-- 4.0 FTE Fiscal Analyst 3 (FA3) in fiscal year 2016 (2.0 temporary and 2.0 permanent) and then down to 2.0 FA3 (permanent) in each fiscal year 2017-21 to process provider incentive checks, quality award checks, and yearly tax reporting documents that are currently being processed by a contractor. These fiscal analysts will work with individual child care workers and providers, collecting W-9 information and entering it into the Agency Financial Reporting System (AFRS) so that they can receive payments, review and release warrants (checks) to child care workers and providers, and review contractual payments, provides 1099 tax reporting for providers, and provide customer service for taxes and, incentives, maintain and address changes, and to submit all unclaimed property reports to the Department of Revenue.. These analysts will also process Portable

Background Check payments in section 8(4). The temporary employees will help manage the heavy work on the front end of by entering all of the child care workers and providers in the vendor system for the first time. Non temporary Permanent employees will perform the following activities: input address changes, execute 1099 documents, verify W-9 and statewide vendor registration forms, process payments via warrants and electronic fund transfer (EFT), re-work associated with warrants that go uncashed, and miscellaneous customer service requirements. By processing all payments through DEL we would eliminate the wait period between approval of payments and the warrants being processed to providers, reduce the amount of tax preparation time by using the Department of Enterprise Services agency wide 1099 reporting system, and allow for one point of contact for providers on all questions related to the professional development incentives and quality improvement awards. Providing the payments through the DEL would provide consistency in processes, lower DEL's risk for financial fraud, and strengthen internal controls over state funds.

Goods and Services: \$16,125 in fiscal year 2016 and \$11,625 in each fiscal year 2017-21 for direct goods and services for the FTE. Including for IT staff \$4,000 for one time software in FY16 and \$1000 for software maintenance each year FY17-21 and an additional \$3,500 for training above the standard \$750 per FTE.

Travel: \$16,000 in fiscal years 2016-21 for travel for the FTE.

Equipment: A one-time expenditure of \$69,000 in fiscal year 2016 for necessary office furniture and equipment for the FTE.

Intra-agency Reimbursements: \$321,598 in fiscal year 2016 and \$273,293 in each fiscal year 2017-21 for indirect costs for agency administration and central services.

Professional Service Contracts:

Fiscal Year 2016: \$6,753,884
Fiscal Year 2017: \$6,769,004
Fiscal Year 2018: \$6,823,347
Fiscal Year 2019: \$6,481,289
Fiscal Year 2020: \$6,365,284
Fiscal Year 2021: \$6,365,284

FY totals comprised of:

--Professional Development Degree Incentives totaling \$425,040 in Fiscal Year 2016 and \$425,040 in Fiscal Year 2017. These costs are for a program administered through DEL that awards professionals in the early learning field for their existing level of education upon entering information into the Managed Education and Registry Information Tool (MERIT) system. Professionals may be awarded for up to three certifications or levels of degrees or any combination of the two. Ongoing costs for these activities are \$425,040 in fiscal year 2018, \$158,400 for fiscal year 2019, and \$119,680 for each fiscal year 2020-21. Degree assumptions: The weighted average award per professional for pre-existing degree incentives is \$220 in Fiscal Year 2016-2021. \$220 is the current weighted average award in Fiscal Year 2015. DEL anticipates awarding 1,932 early learning professionals for pre-existing degrees in 2016, 2017, and 2018. DEL anticipates awarding 720 individuals in 2019 and 544 individuals in 2020 and 2021 for pre-existing degrees. Forecasting assumes the volume of pre-existing degree incentives to ramp down as the program hits saturation within the pool of eligible early learning professionals.

--Professional Development Retention Awards totaling \$629,280 in Fiscal Year 2016 and \$629,280 in Fiscal Year 2017. These costs are for a program administered through DEL that awards professionals in the early learning field for increasing their level of education and obtaining Early Childhood Education (ECE) credentials. Ongoing costs for these activities are \$629,280 in fiscal year 2018, \$553,560 for fiscal year 2019, and \$527,520 for each fiscal year 2020-21. Retention Awards assumptions: The weighted average cost award per professional for attainment incentives is \$120 in Fiscal Year 2016 – 2021. \$120 is the current weighted average award in Fiscal Year 2015. DEL anticipates awarding 5,244 early learning professionals for attainment incentives in Fiscal Years 2016, 2017, and 2018. DEL anticipates awarding 4,613 individuals in Fiscal Year 2019 and 4,396 in Fiscal Years 2020 and 2021 for attainment incentives. Forecasting assumes the volume of retention incentives to ramp up as the more early learning professionals become eligible for the incentive through advancement in either degree or ECE certificate.

-- Professional Development Education Verification contractual costs totaling \$416,208 in Fiscal Year 2016 and \$416,208 in Fiscal Year 2017. DEL will contract with Centralia College to validate degrees, HS diplomas, GEDs, AAs, BAs, MAs, PhDs and individual ECE certificates entered into DEL's MERIT system. Ongoing costs for these activities are \$416,208 in fiscal year 2018, \$309,314 for fiscal year 2019, and \$286,520 for each fiscal year 2020-21. Verification assumptions: Average cost per degree verification is \$58 in Fiscal Years 2016 – 2021. Historically this contract has not been based on a unit cost per degree validation. \$58 per degree verification represents a calculated unit costs given current contract and is used to forecast this expense line item given volume assumptions. DEL anticipates that Centralia College will verify 7,176 degrees (1,932 pre-existing degree incentives + 5,244 retention awards) in Fiscal Year 2016, 2017, and 2018. DEL anticipates that Centralia College will verify 5,333 degrees (720 pre-existing degree incentives + 4,613 retention awards) in 2019 and 4,940 degrees (544 pre-existing degree incentives + 4,396 retention awards) in Fiscal Years 2020 and 2021.

-- Early Achievers Opportunity Grants contractual costs total \$3,062,720 in each fiscal year 2016-2021. These costs are for scholarships provided to students. DEL contracts with the Washington State Board of Community and Technical Colleges (WSBCTC) to allocate award scholarships. These scholarships are also known as Early Achiever Opportunity Grants and are awarded to eligible early learning providers pursuing either an Early Childhood Education (ECE) statewide certificate or an AA degree in ECE after earning a statewide ECE certificate. This funding may be used for approved direct-support expenditures such as tuition, fees, books, national credential assessment fees, tutoring services, and emergency conditions that if resolved would help maintain the student in college. Opportunity Grant Assumptions: DEL anticipates WSBCTC will award on average 400 individual scholarships in the form of Opportunity Grants at a cost of up to \$6,800 per award in each Fiscal Year 2016 - 2021. In the first half of Fiscal Year 2015 413 students have received financial assistance from Early Achiever Opportunity Grants in the forms of tuition, fees, and books and materials. Per DEL's contract with the WSBCTC, the contractor shall award Opportunity Grants up to \$6,800 per FTE for an Early Childhood Education (ECE) statewide credential, up to \$6,800 for those who have earned a statewide ECE credential and choose to pursue an AA degree in ECE, and up to \$13,600 (two FTEs) in aggregate for an AA degree in ECE. Funding may be used for approved direct-support expenditures such as tuition, fees, books, national credential assessment fees, tutoring services, and emergency conditions that if resolved would help maintain the student in college. Funding for books/ instructional materials shall not exceed \$1,000. Funding for student support services shall not exceed \$1,000. Funding for tuition and fees shall not exceed \$4,800. Total pass thru dollars for scholarships in the form of Opportunity Grants is \$2,720,000 in each Fiscal Year 2016 – 2021. DEL contract with and pay WSBCTC \$342,720 in each Fiscal Year 2016 – 2021 to administer the Opportunity Grants program.

--Scholarships and Training Reimbursement contractual costs total \$2,172,828 in Fiscal Year 2016 and \$2,249,090 in Fiscal Year 2017. These expenses fund scholarships including tuition support and other education-related reimbursements for books, travel, release time and related school supplies for ECE certificates, AA and BA degree attainment and CDA Assessment. This program, Washington Scholarships for Child Care Professionals, is provided by DEL's partner Child Care Aware via contract. Ongoing costs for these activities are \$2,311,233 in fiscal year 2018, \$2,392,367 for fiscal year 2019, and \$2,420,210 for each fiscal year 2020-21. Scholarship and Training assumptions: DEL anticipates awarding 112 CDA scholarships in Fiscal Years 2016 – 2021 at a unit cost of \$587 in 2016, \$598 in 2017, \$610 in 2018, \$627 in 2019, and \$638 in 2020-2021. DEL anticipates awarding 397 AA scholarships in Fiscal Years 2016 – 2021 at a unit cost of \$2,942 in 2016, \$2,999 in 2017, \$3,057 in 2018, \$3,144 in 2019, and \$3,201 in 2020 – 2021. DEL anticipates awarding 50 BA scholarships in Fiscal Years 2016 – 2021 at a unit cost of \$7,793 in 2016, \$7,946 in 2017, \$8,098 in 2018, \$8,328 in 2019, and \$8,480 in 2020-2021. Child Care Aware of Washington (CCAWA) administers this program and non-variable costs include \$549,460 in 2016, \$594,211 in 2017 \$624,440 in 2018, \$657,575 in 2019, \$653,957 in 2020 – 2021.

Section 2(8)(c):

This section requires DEL to address cultural and linguistic diversity and the department will meet this requirement with current resources

Section 2(9): Early Achievers quality improvement awards.

DEL assumes this will be met by using licensed capacity to determine the 5 percent subsidy threshold. DEL will be required to create a process to compare subsidy payments to licensed capacity on a monthly basis. DEL will require this 0.5 FTE ITS5 to develop and maintain the data match each fiscal year 2016-2021.

FTE, Salary and Benefits: 0.5 FTE (Information Technology Specialist 5 (ITS5) costing \$ 52,321 in each of fiscal years 2016-2021.

Goods and Services: \$4,500 in fiscal year 2016 and \$3,000 in each of fiscal years 2017-21 for the ITS5.

Equipment: A one-time expenditure of \$3,000 in fiscal year 2016 for necessary office furniture and equipment for the FTE

Intra-agency Reimbursements: \$17,057 in each of fiscal years 2016-21 for indirect costs for agency administration and central services.

Section 2(10):

This section requires DEL to develop a protocol for granting early achievers participants extensions in meeting level requirement timelines required for WCCC. DEL will meet this requirement with current resources.

Section 2(10)(d):

This section requires DEL to write a one-time report for the legislature and the department will meet this requirement with current resources.

Section 2(11):

FTE, Salary and Benefits: 1.0 FTE Program Specialist 5 (PS5) costing \$89,835 in each of fiscal years 2016-2021.

It is assumed that this position will be responsible for creating an accreditation program and review process, periodically reviewing the process for improvement, reviewing submitted standards of accrediting bodies and assigning points for Early Achievers qualification equivalents, and developing materials. This position would be needed on an ongoing basis for continued coordination between the accrediting bodies and providers.

Goods and Services: \$750 each of fiscal years 2016-21 for the PS5.

Equipment: A one-time expenditure of \$6,000 in fiscal year 2016 for necessary office furniture and equipment for the PS5.

Intra-agency Reimbursements: \$29,286 in each of fiscal years 2016-21 for indirect costs for agency administration and central services.

To comply with this section, DEL will establish a process to review accreditation information submitted by each accrediting body to demonstrate how their process and standards meet or exceed specific Early Achievers standards. Across the country, it is common practice for accreditation bodies to demonstrate how their standards equate to state QRIS systems. The most common outcome is that specific points are awarded to count toward the overall rating, resulting in those standards not being assessed as part of the early achievers data collection process. It is unlikely that any accreditation body captures the information gathered in the two standardized observation assessments in Washington's rating system, the ERS and the CLASS. Therefore, although points may be awarded in reciprocity for other Early Achievers Standards areas, on-site time will still be necessary to observe classrooms for the ERS and CLASS evaluation components. It is assumed development and implementation of this alternate pathway will occur in fiscal year 2016 and can be accomplished with existing DEL resources. DEL estimates approximately 10% of all licensed providers will pursue the accreditation pathway, and their rating process will take half the time of a full rating, resulting in a 5% reduction in overall rating costs beginning in fiscal year 2017. This would result in an estimated savings of \$218,354 in Fiscal Year 2017, \$235,957 in Fiscal Year 2018, \$284,569 in Fiscal Year 2019, and \$241,362 in Fiscal Year 2020-2021. Note that these savings are reflected in the total costs for rating identified in section 2(5). All other costs of participating in early achievers (training, technical assistance, and coaching) will still be required and will therefore remain the same.

Section 2(12):

This section will require staff time to coordinate, draft, and review the inter-local agreements with qualifying child care programs offered by federally recognized tribes. It is assumed the tribal liaison described in section 2(1) will perform these functions. Currently, DEL certifies approximately 20 programs operated by a federally recognized tribe to receive child care subsidy payments, and expects this number to remain stable. Given this number relative to the entire population of licensed providers expected to participate in early achievers, DEL assumes services for these programs can be provided within the overall participation volumes proposed earlier in this section and will require no additional resources.

New Section 2(13):

This section will require staff time to consult with the early achievers review subcommittee created in Section 19 on all substantial policy changes to the early achievers program. In support of the staff work performed by senate committee services and the House of Representatives office of program research described in Section 19(4), DEL staff would spend time completing tasks such as compiling data, developing policy and communication documents, and communicating with fiscal staff and committee members. DEL assumes that the Management Analyst 5s described in section 12(3) and the WMS-3 Manager described in section 2(8)(b) will perform these work activities.

New Section 3:

This Section requires the department to adopt a single set of licensing standards.

DEL is currently working on integrating standards for ECEAP and licensed providers to create a single set of licensing standards for licensed providers and ECEAP. The rulemaking requirements in this section will not result in additional expenditure because rulemaking costs are already assumed in DEL's current budget. In addition, IT costs for help desk, hosting, training, and maintenance are already assumed in DEL's current budget.

Implementation costs include:

Professional Service Contracts: \$482,500 in FY16 and \$123,800 in FY17, comprised of:

- \$300,000 in FY16 to customize and implement the COTS system. Based on previous vendor responses and current market research we anticipate interface and web service development as well as COTS customization will cost \$200,000. Vendor project initiation, quality assurance, and integration testing are expected to cost \$100,000.
- \$182,500 in FY16 to support licensing standards for the ECEAP.
- \$83,800 in FY17 to move ECEAP standards forms to the COTS system.
- \$40,000 in FY 17 to create and implement new electronic forms for school-age programs operating within public or private school buildings per Section 4(2).

Goods and Services: \$165,000 in each of FY17-21 for annual licensing and maintenance costs.

Supporting assumptions are as follows:

- Updating the electronic licensing forms (ELF) system for all three of DEL's licensing sets (Chapters 170-295, 170-296A, and 170-297 WAC). The department maintains a contract with a vendor for ELF, and the current budget is for maintenance and operation only.
- \$90,000 Updating DEL's Early Learning Management System (ELMS) for ECEAP. It is assumed that aligning ECEAP and child care licensing standards requires updating 60 percent of the ELMS system, including extensive changes to the "child module" (prescreen, application, eligibility, prioritization, child and family updates, bulk updates and all related reports). This will require 720 hours of work at \$125 per hour ($720 \times \$125 = \$90,000$).
- \$92,500 It is assumed that the consultant is needed for 370 hours at \$250 per hour ($370 \times \$250 = \$92,500$). The consultant will provide DEL with the expertise and support to fully integrate the three discrete sets of standards currently in place for child care providers, including licensing regulations, state preschool contract requirements, and Early Achievers (EA) Quality Rating and Improvement System (QRIS) standards.
- \$83,800 in fiscal year 2017. It is assumed that ECEAP will move to electronic monitoring forms with the creation of a single set of basic health and safety standards for licensing and ECEAP. Updating the electronic licensing forms (ELF) to include four electronic monitoring tools is estimated at \$83,000 ($\$20,950 \times$

4=\$83,800).

Section 4(2):

DEL is currently working on integrating standards for ECEAP and licensed providers to create a single set of licensing standards for licensed providers and ECEAP. It is assumed that any rulemaking scaling back school-age provider licensing standards for the subset of school-age programs serving children in schools will be accomplished as part of that effort. Therefore the rulemaking requirements in this section will not result in additional expenditure because rulemaking costs are already assumed in DEL's current budget.

Costs associated with creating and implementing new electronic forms for school-age programs operating within public or private school buildings under this section are detailed in Section 3.

New Section 5(1):

Professional Service Contracts: This section requires DEL to collaborate with tribal governments and other partners to maximize participation in early achievers. This will be met with the tribal liaison position under section 2(1), and Community Engagement Contracted costs totaling \$225,000 for each Fiscal Year 2016-21. DEL currently partners with Thrive by Five Washington to oversee and perform community engagement activities under Early Achievers. Costs for Community Engagement in 2015 are \$205,000. DEL will continue to partner with Thrive by Five Washington to oversee statewide community engage required in this section. These are costs for services that help/ contribute to engaging stakeholders, the community and public partners in the ongoing activities of the grant (example: links between community orgs. – parent navigators and the WA state libraries to host info nights).

This section will require staff time to ensure compliance with the requirement in section 5(1)(a) that funds appropriated separately for the encouragement of culturally diverse and low-income center and family home child care provider participation are only used for the protocol to maximize and encourage participation in the early achievers program for culturally diverse and low-income center and family home child care providers. DEL assumes that the Budget Analyst 4s described in section 17 will perform these work activities.

New Section 5(1)(b):

The thirty month timeframe during which resources are to be prioritized corresponds to the timeframe under Section 6(3) for providers accepting subsidy to enroll in Early Achievers and rate. It is assumed that the prioritization required under this section already occurs under the Early Achievers program, as providers rated level 2 are provided coaching to increase their quality level. Therefore the requirements of this section will be accomplished within existing resources with no additional expenditure.

Section 5(2)(a):

Grants, Benefits and Client Service Contracts: \$468,200 in each of fiscal years 2016-21, for an EA substitute pool, calculated as follows:

This section requires the creation of substitute pool in order to reduce barriers to early achievers participation for low income providers and programs. It is assumed that the pool will be available to cover only those hours in which providers attend to early achievers requirements. According to US Census data on poverty by school

district, 30 percent of the 5,700 providers statewide are in, or serve children in, low income neighborhoods. It is assumed that creating an early achievers substitute pool will require subsidized salaries for substitutes serving approximately half those providers, a total of 855 subsidized salaries ($5,700 \times .30 \times .5 = 855$) each year. It is assumed that each provider will request an average of 4 hours of substitute coverage per month in order to attend to early achiever requirements (professional development and training, curriculum and materials development, self-assessment, and parent meetings), for a total of 41,040 hours of substitute coverage per year ($855 \times 4 \times 12 = 41,040$). It is further assumed each substitute will be trained on the required 30 hour basic training at a rate of \$250 per training, with one training for every substitute position, a position being equal 1,560 hours of work per year. Under this assumption there are 26 positions (41,040 divided by 1,560 = 26) for a total training cost of \$6,500 ($26 \times \$250 = \$6,500$). It is assumed each substitute position will pay for his or her own portable background check. Each substitute will be paid an hourly wage of \$15 -- somewhat higher than average for a family home child care provider in order to adequately incentivize substitute work and pay for benefits -- 75 percent of which will be subsidized by the state, at a cost of \$461,700 ($41,040 \times \$15 \times .75 = \$461,700$). The total yearly cost, including the cost of grant awards and training, is \$468,200 ($\$461,700 + \$6,500 = \$468,200$). These amounts reflect expected demand, but could be scaled and implemented on a first-come, first-served basis.

-- Professional Service Contracts: \$200,000 in each of fiscal years 2016-21 for regional coordination including annual marketing, recruitment, training, and management of the 26 substitute positions described above, and for statewide contract coordination. Coordination will be ongoing after creation of the pool as substitutes leave and new ones enter. This will require contracting with 8 coordinators (4.0 FTE equivalent) comprised of one .5 FTE equivalent statewide coordinator and seven regional coordinators at .5 FTE each, at a cost of \$25,000 per contractor per year, or \$200,000 in each of fiscal years 2015-21 ($8 \times \$25,000 = \$200,000$). It is assumed that regional coordination is necessary in order to locate, train, and manage providers in local communities who would be interested in substitute positions.

Section 5(2)(b):

Grants, Benefits and Client Service Contracts (child care subsidy payments): \$500,000 in each of fiscal years 2016-21.

This section requires needs based grants. The \$500,000 above will provide 500 grants of \$500 each to family home providers and 250 grants of \$1,000 each to centers, per fiscal year ($\$250,000 + \$250,000 = \$500,000$). DEL will meet this requirement through the needs based grants contained in the collective bargaining agreement covering family home providers. In future agreement negotiations, priority will be established for the grants as described in this section. An equal amount will be provided for centers.

Section 5(2)(c):

Goods and Services: \$140,000 in FY16 and \$60,

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	32.0	33.3	32.6	33.2	33.2
A-Salaries and Wages	2,142,523	2,243,651	4,386,174	4,476,594	4,476,594
B-Employee Benefits	752,144	785,781	1,537,925	1,567,800	1,567,800
C-Professional Service Contracts	56,687,232	60,631,348	117,318,580	141,380,558	149,742,016
E-Goods and Other Services	1,310,150	1,208,988	2,519,138	2,600,646	2,618,742
G-Travel	50,877	50,877	101,754	87,436	87,436
J-Capital Outlays	189,960	24,000	213,960		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	(2,915,857)	20,763,201	17,847,344	38,464,695	34,562,095
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	943,661	987,594	1,931,255	1,970,472	1,970,472
9-					
Total:	\$59,160,690	\$86,695,440	\$145,856,130	\$190,548,201	\$195,025,155

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
Budget Analyst 4	64,740	2.0	2.0	2.0	2.0	2.0
Contracts Specialist 3	64,740	1.0	1.0	1.0	1.0	1.0
Customer Service Specialist 3	40,524	2.0	2.0	2.0	2.0	2.0
Fiscal Analyst 3	53,148	4.0	2.0	3.0	2.0	2.0
IT Specialist 2	58,656	0.5	0.5	0.5	0.5	0.5
IT Specialist 4	71,496	3.0	3.0	3.0	3.0	3.0
IT Specialist 5	78,900	3.5	3.5	3.5	3.5	3.5
IT Sys/App Spec 6	87,096	2.0	2.0	2.0	2.0	2.0
Management Analyst 5	68,016	5.5	5.5	5.5	5.5	5.5
Program Specialist 3	55,836	0.1	0.1	0.1	0.1	0.1
Program Specialist 5	66,420	4.1	6.1	5.1	6.1	6.1
Research Analyst 5	58,656		2.0	1.0	2.0	2.0
Social Service Specialist 3	64,740	2.2	1.5	1.8	1.5	1.5
WMS Band 2	74,850	1.1	1.1	1.1	1.1	1.1
WMS Band 3	85,188	1.0	1.0	1.0	1.0	1.0
Total FTE's	993,006	32.0	33.3	32.6	33.2	33.2

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 6(8), 13(5), and 3 will require rulemaking as described above, amending Chapters 170-100, 170-290, 170-295, 170-296A, and 170-297 WAC. Rulemaking that creates new requirements for providers represented by SEIU Local 925 will require a negotiated rulemaking process with costs as analyzed above.

Individual State Agency Fiscal Note

Bill Number: 1491 E 2S HB AMS EDU S2671.2	Title: Early care & education system	Agency: 376-The Evergreen State College
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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	0.2	0.2	0.2	0.2	0.6
Account					
General Fund-State 001-1	31,349	31,663	63,012	65,239	197,042
Total \$	31,349	31,663	63,012	65,239	197,042

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: 03/26/2015
Agency Preparation: Catherine Nicolai	Phone: (360) 586-2769	Date: 03/27/2015
Agency Approval: Steve Trotter	Phone: (360) 867-6185	Date: 03/27/2015
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 03/30/2015

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.

2ESHB 1491 Section 12 (4) directs the Washington State Institute for Public Policy (WSIPP) to "conduct a longitudinal analysis examining relationships between the early achievers program quality ratings levels and outcomes for children participating in subsidized early care and education programs." The first report for this study is due to the legislature and the early learning advisory council by December 31, 2019, with subsequent reports on December 31 in 2020, 2021, and 2022. The final 2022 report must include a cost-benefit analysis.

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.

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.

To conduct the study, WSIPP would assign a 0.20 FTE Senior Researcher in fiscal years (FY) 2016 through 2019 to investigate the necessary data sources and enter into appropriate data sharing agreements with the Department of Early Learning, Office of Superintendent of Public Instruction, and Education Research and Data Center (ERDC). The study scope will focus on participation in early learning/state subsidized child care and on outcomes associated with different quality ratings levels. During this time, the Senior Researcher would also track implementation of early achievers (the quality rating system).

In FY 2020, a 0.50 FTE Senior Researcher would submit a specific data request to ERDC, analyze the data, and submit the initial outcomes report to the legislature and early learning advisory council in December 2019. This note also assumes 0.05 FTE in programmer time and 0.05 FTE office support in this year and subsequent years to complete the initial and subsequent analyses and reports. In FY 2021, the 0.50 FTE Senior Researcher would analyze new data and prepare and submit the annual report to the legislature and council.

This fiscal note estimates costs through FY 2021. The bill directs the study to continue for two more years (FY 2022 and 2023). Thus, in FY 2022, the 0.50 FTE Senior Researcher with 0.05 FTE in programmer time and 0.05 FTE office support would continue to analyze outcomes and submit the annual report. In the final year of the study assignment (FY 2023) the Senior Researcher would finalize the outcome analyses, collect data on variation in costs between high- and low- rated programs, conduct a benefit-cost analysis, and submit the final report to the legislature and early learning advisory council by December 31, 2022. Estimated costs for FY 2022 are \$102,000 and for FY 2023, \$104,000.

*Goods and other services includes 13% for office expenses and 12% indirect rate for The Evergreen State College.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.2	0.2	0.2	0.2	0.6
A-Salaries and Wages	19,816	20,014	39,830	41,238	124,066
B-Employee Benefits	4,954	5,004	9,958	10,310	31,625
C-Professional Service Contracts					
E-Goods and Other Services	6,579	6,645	13,224	13,691	41,351
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$31,349	\$31,663	\$63,012	\$65,239	\$197,042

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
Administrative Coordinator	58,284					0.1
Programmer/Analyst	95,436					0.1
Senior Research Associate	98,100	0.2	0.2	0.2	0.2	0.5
Total FTE's	251,820	0.2	0.2	0.2	0.2	0.6

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.