

Individual State Agency Fiscal Note

Bill Number: 5437 S SB	Title: ECEAP eligibility	Agency: 307-Department of Children, Youth, and Families
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	5.9	7.0	6.5	10.1	8.0
Account					
General Fund-State 001-1	20,543,884	37,014,046	57,557,930	124,351,342	134,371,204
Total \$	20,543,884	37,014,046	57,557,930	124,351,342	134,371,204

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.

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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.

Comparison of 5437 SSB to 5437 SB:

Section 1: The substitute changes eligibility to at or below 130% the federal poverty level (FPL) instead of below 200% FPL. Section 7 directs the department with making recommendations regarding differential slot rates.

5437 SSB

Section 1 changes the definition of an entitled child of the Early Childhood Education and Assistance Program (ECEAP) to include a family income at or below 130% of the federal poverty level (FPL). The department assumes an increase of 5,948 slots in ECEAP to serve the additional eligible children.

It also allows enrollment of children from families 130-200% FPL with risk factors as space is available. This does not have a fiscal impact.

This legislation will affect business rules regarding eligibility for ECEAP. The Early Learning Management System (ELMS) system will need to be updated to reflect the FPL.

Section 6 directs the Department of Children, Youth and Families (DCYF) to develop recommendations related to a differential slot rate system for the ECEAP program. The department is requested to submit report with recommendations by September 1, 2020 to the office of the Governor and the Legislature.

Section 7 directs DCYF to establish a state funded pilot for an early childhood education and assistance program modeled after the federally funded Early Head Start program for children under 36 months old. In the first year of the three-year pilot project, the department is required to establish ten pilot sites.

This legislation will affect business rules regarding eligibility, health coordination, and reporting for Early ECEAP to support younger ages. To update the ELMS system, a business analyst will document new eligibility requirements and new reporting needs, including age boundaries, height and weight charts, add a designation for EHS or ESIT program, and creation of new reports. It will also require ELMS updates to meet the requirements for full ongoing implementation of Early ECEAP.

II. B - Cash receipts Impact

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

None.

II. C - Expenditures

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

Section 1

This section adds children whose families have income above 110% and up to 130% FPL to ECEAP eligibility. This would increase the total number of children to be served by 5,948 slots with an incremental increase of 1,487 per year until fiscal year 2023. The department assumes the following expenditures with the increase in eligible children:

SALARY AND BENEFITS

FY20: 2.46 FTE (approximately 4,920 hours) comprised of 1 Management Analyst 5, 1 Commerce Specialist 4 and .46 IT Specialist 5 (.08 Business Analyst, .04 Project Manager, .17 Testers, .17 Developers) costing \$261,169 in salary and benefits.

FY21: 4.0 FTE (approximately 8,000 hours) comprised of 1 Commerce Specialist 3, 1 Management Analyst 5, 1 Commerce Specialist 4 and 1 Commerce Specialist 5 costing \$417,380 in salary and benefits.

FY22: 6.0 FTE (approximately 12,000 hours) comprised of 2 Commerce Specialist 3, 1 Commerce Specialist 2, 1 Management Analyst 5, 1 Commerce Specialist 4, and 1 Commerce Specialist 5 costing \$601,683 in salary and benefits.

FY23-25: 8 FTE (approximately 20,000 hours) comprised of 3 Commerce Specialist 3, 1 Commerce Specialist 2, 1 Management Analyst 5, 1 Commerce Specialist 4, 1 Commerce Specialist 5 and 1 Program Specialist 3 costing \$787,842 in salary and benefits.

The Continuous Quality Improvement Specialists (Commerce Specialist 3) support ECEAP contractors' continuous quality improvement and participation in Early Achievers. They offer technical assistance in meeting the ECEAP requirements, interpret ECEAP performance standards, monitor contractor compliance, and participate in division and staff meetings.

The ECEAP Data Coordinator (Commerce Specialist 2) support ELMS by providing technical assistance to users, data quality assurance, system testing, contract monitoring and data compliance and analysis.

The ECEAP Lead (Commerce Specialist 4) performs the lead worker function for the Commerce Specialist 2 FTE.

The ELMS Product Owner (Commerce Specialist 5) supports the DCYF mission by serving as agency lead for ELMS which involves contract management, case management and data collection for Washington's comprehensive prekindergarten programs, which has approximately 2,000 external users. This position proposes statewide policies and budget for ELMS. It is responsible for the content of ELMS and all processes related to ELMS design and technical support, including supervision of technical support staff.

The ECEAP Program Coordinator (Program Specialist 3) updates the annual report of distribution of ECEAP services, conducts desktop monitoring for contract compliance, reviews and approves contract deliverables and provides administrative support for the ECEAP team including coordination of travel and training.

The Policy Analyst (Management Analyst 5) position assists in identifying and developing policy recommendations for a variety of functions affecting ECEAP. The ECEAP policy analyst would develop position papers, legislative analysis and contribute to rulemaking as needed to support the growth in program as

necessitated by this bill, and in support of early learning & ECEAP expansion.

The Business Analyst (ITS5) will identify business and internal requirements and data issues and ongoing work between the source systems and new data reports.

The Project Manager (ITS5) will manage source data systems and technical issues, working with developers to ensure they are following all technical and integration requirements.

The Testers (ITS5) will conduct testing on all newly developed interfaces to ensure system stability, integrity and reliability.

The Developers (ITS5) will develop the ability to differentiate between various subsidy types; the necessary user interfaces for data collection and management capabilities within existing departmental systems; update reports to provide accurate and timely information on eligibility, and; create interfaces to allow for pre-screen, application and enrollment.

GOODS AND SERVICES

FY20: \$270,403 comprised of \$37,175 in child assessment costs, \$6,000 for .75 UW Cultivate Learning coach, \$3,375 for .75 Assessment trainer, \$219,425 in curriculum kits, and the remainder for standard agency goods and services.

FY21: \$539,150 comprised of \$74,350 in child assessment costs, \$12,000 for 1.5 UW Cultivate Learning coaches, \$6,750 for 2 Assessment trainers, \$438,850 in curriculum kits and the remainder for standard agency goods and services.

FY22: \$808,575 comprised of \$111,525 in child assessment costs, \$20,000 for 2.5 UW Cultivate Learning coaches, \$11,250 for 2.5 Assessment trainers, and \$655,000 in curriculum kits and the remainder for standard agency goods and services.

FY23: \$1,087,200 comprised of \$148,700 in child assessment costs, \$24,000 for 3 UW Cultivate Learning coaches, \$13,500 for 3 Assessment trainers, \$8,900 for certification renewals fees for 2 trainers, \$877,700 in curriculum kits and the remainder for standard agency goods and services.

FY24: \$1,096,100 comprised of \$148,700 in child assessment costs, \$24,000 for 3 UW Cultivate Learning coaches, \$13,500 for 3 Assessment trainers, \$17,800 for certification renewals fees for 4 trainers, \$877,700 in curriculum kits and the remainder for standard agency goods and services.

FY25: \$1,105,000 comprised of \$148,700 in child assessment costs, \$24,000 for 3 UW Cultivate Learning coaches, \$13,500 for 3 Assessment trainers, \$26,700 for certification renewals fees for 6 trainers, \$877,700 in curriculum kits and the remainder for standard agency goods and services.

Child assessment costs are calculated at the current rate of \$25 per child.

In order to support teaching staff to implement fidelity in their curriculum and assessment practices (and to obtain a required Level 4 rating in Early Achievers), DCYF assumes the need to train/onboard new statewide/regional child assessment trainers (1 new trainer per approximately 1,800 child slots at a cost of \$4,500 per trainer). DCYF assumes the need to train/onboard new statewide/regional curriculum (and coaching to fidelity) trainers in partnership with the University of Washington's Cultivate Learning (1 new curriculum trainer per approximately 1,800 slots at a cost of \$8,000 per trainer/coach).

Every three years, curriculum and assessment trainers (see above) require renewal training/certification at a cost

of \$2,225 per trainer.

Curriculum costs are \$3,275 per kit. DCYF assumes 40 part day slots per 1 kit and 20 full day or 20 extended day per 1 kit.

Standard goods and services costs include supplies and materials, communications, employee development and training and computer lease, and are calculated at an assumed rate of \$1,800 per FTE per fiscal year.

TRAVEL

FY20: \$11,004 comprised of \$7,500 per CS3 and standard agency travel of \$2,400 for additional staff travel.

FY21: \$19,800 comprised of \$7,500 per CS3 and CS4 and standard agency travel of \$2,400 for additional staff travel.

FY22: \$29,700 comprised of \$7,500 per CS3 and CS4 standard agency travel of \$2,400 for additional staff travel.

FY23-FY25: \$39,600 comprised of \$7,500 per CS3 and CS4 and standard agency travel of \$2,400 for additional staff travel, per fiscal year.

CS3 FTE travel assumes the following:

--In each fiscal year, travel for up to 10 partner meetings within assigned regions. Partner meetings can include tribal partnerships, meetings with Child Care Aware partners, Educational Service District (ESD) partners, or other key partners in the region essential to ECEAP expansion and partnerships.

--In each fiscal year, one visit to each new classroom in the first year for training, monitoring and technical assistance at an average of 120 miles round trip with overnights required for half. One classroom = 20 slots.

--In each fiscal year, one visit to each of the new classrooms from the previous fiscal year for targeted technical assistance at an average of 120 miles round trip with overnights required for half.

--In each fiscal year, travel costs for ECEAP contractor staff to attend professional development and directors' meetings for the new ECEAP directors at an average of 120 miles round trip with some overnight lodging.

--In each fiscal year, contractor travel is required to obtain training to perform the necessary duties of the ECEAP contract; therefore, travel will be reimbursed at a rate not exceeding the state per diem rate. Travel is directly related to trainings and meetings to ensure consistent quality implementation of ECEAP across contractors.

EQUIPMENT: One-time expenditures, at the rate of \$7,200 per each new FTE, are as follows:

FY20-23: \$14,400 for 2 new FTE per fiscal year.

CLIENT SERVICE CONTRACTS

By increasing eligibility for ECEAP to families under 130% of the federal poverty level, the department estimates that the children eligible due to the change in the federal poverty income level would result in an incremental increase of 1,487 each fiscal year until 5,948 slots are reached in FY23.

The slot increase per year:

FY20: 1,487 total slots

FY21: 2,974 total slots

FY22: 4,461 total slots

FY23-25: 5,948 total slots

These costs are based upon the total cost for each child served in ECEAP in fiscal year 2019, as follows: \$7,771 per part school day slot, \$10,669 per full school day slot and \$16,657 per extended day slot, and an addition \$248 for each type of slot for DCYF ECEAP program administration. Each fiscal year has three models represented; part day, full school day, and extended day. The proportions of the different slot types is assumed at 20%, 70%, and 10%.

FY20: \$ 16,262,130 comprised of 297 part day slots, 1,041 full school day slots and 149 extended school day slots

FY21: \$32,524,259 comprised of 595 part day slots, 2,082 full school day slots and 297 extended school day slots

FY22: \$48,786,388 comprised of 892 part day slots, 3,123 full school day slots and 446 extended school day slots

FY23-25: \$65,048,517 comprised of 1,190 part day slots, 4,164 full school day slots and 595 extended school day slots, per fiscal year.

INTRA-AGENCY REIMBURSEMENTS

FY20: \$69,314

FY21: \$110,773

FY22: \$159,687

FY23-25: \$209,093 per fiscal year.

These costs, calculated at the rate of 26.54 percent of combined salaries and benefits, are for indirect expenditures including agency administration and central services.

Section 6

Differential Slot Rate Recommendations

PROFESSIONAL SERVICE CONTRACTS

FY20-21: A one-time expenditure of \$225,900 (\$200,700 in FY20 and \$25,200 in FY21). In order for the department to contract for recommendations related to differential slots rates for ECEAP. The contractor will hold 24 oversight meetings, review policies of other states and analyze regional boundaries in order to make recommendations on rates based on economic conditions in the area. The contractor will also draft the report due December 2020. Costs assume 1,115 hours at \$180 an hour.

Section 7 Birth-3 ECEAP Pilot

In order for DCYF to fully implement the pilot program as described in this bill, the department assumes the following expenditures:

FTE, SALARY AND BENEFITS:

FY20: 3.46 FTE (approximately 6,000 hours) comprised of 1 WMS 1 (Early ECEAP Administrator), 1 Commerce Specialist 3 (Early ECEAP Program Specialist) and 1 Commerce Specialist 2 (Early ECEAP Data Coordinator), 0.46 ITS 5 (.46 IT Specialist 5 (.08 Business Analyst, .04 Project Manager, .17 Testers, .17

Developers) costing \$282,381 in salary and benefits annually.

FY21-22: 3.0 FTE (approximately 6,000 hours) comprised of 1 WMS 1 (Early ECEAP Administrator), 1 Commerce Specialist 3 (Early ECEAP Program Specialist) and 1 Commerce Specialist 2 (Early ECEAP Data Coordinator costing \$277,131 in salary and benefits annually.

FY23: 3.25 (approximately 6,000 hours) comprised of 1 WMS 1 (Early ECEAP Administrator), 1 Commerce Specialist 3 (Early ECEAP Program Specialist) and 1 Commerce Specialist 2 (Early ECEAP Data Coordinator costing \$306,401 in salary and benefits.

This Early ECEAP Administrator (WM1) position has primary responsibility for implementation of the Early ECEAP pilot and setting DCYF's vision related to high quality state-funded Birth to 3 program as we work to serve all eligible children whose families choose to participate. Key responsibilities include vision setting, staff supervision/management, program planning, policies and process development, development and analysis of Early ECEAP-related policy, and development and oversight of the Early ECEAP budget. The Early ECEAP Administrator has primary responsibility for communication with legislators, external advocates and organizations on topics related to Early ECEAP pilot, including external collaboration/participation on intra- and interagency initiatives linking Early ECEAP with the larger early learning system in WA and across the US.

The Early ECEAP Program Specialist (Commerce Specialist 3) would support Early ECEAP contractors at the 10 selected pilot sites in program implementation; continuous quality improvement activities; and participation in Early Achievers. They would offer technical assistance in meeting the Early ECEAP requirements, interpret Early ECEAP Performance Standards, and monitor contractor compliance, participate as a team player in division and Early ECEAP team work, including staff meetings..

The Early ECEAP Data Coordinator (Commerce Specialist 2) would monitor contractual Early ECEAP requirements, analyzes a variety of Early ECEAP data, and contributes to ELMS technical assistance and testing.

The Business Analyst (ITS5) position will identify business and internal requirements and data issues and ongoing work between the source systems and new data reports.

The Testers (ITS5) positions will conduct testing on all newly developed interfaces and user interfaces to ensure system stability, integrity and reliability.

The Developers (ITS5) positions will develop the ability to differentiate between various subsidy types; develop the necessary user interfaces for data collection and management capabilities within existing departmental systems; develop and update reports to provide accurate and timely information on eligibility; develop interfaces to allow for those children birth to three to create a pre-screen, application and enrollment.

GOODS AND SERVICES

FY20: \$10,078 comprised of \$3,850 in child assessment costs and the remainder for standard agency goods and services.

FY21-22: \$9,250 comprised of \$3,850 in child assessment costs and the remainder for standard agency goods and services.

FY23: \$9,701 comprised of \$3,850 in child assessment costs and the remainder for standard agency goods and services.

Child assessment costs are calculated at the current rate of \$25 per child.

Standard goods and services costs include supplies and materials, communications, employee development and training and computer lease, and are calculated at an assumed rate of \$1,800 per FTE per fiscal year.

TRAVEL

FY20: \$18,504 comprised of \$7,500 per CS3 and WMS1 FTE travel, and standard agency travel of \$2,400 for additional staff travel.

FY21-22: \$17,400 comprised of \$7,500 per CS3 and WMS1 FTE travel, and standard agency travel of \$2,400 for additional staff travel annually.

FY23: \$18,000 comprised of \$7,500 per CS3 and WMS1 FTE travel, and standard agency travel of \$2,400 for additional staff travel.

CS3 and WMS1 FTEs travel to assume:

--In each fiscal year, travel for up to 10 partner meetings within assigned regions. Partner meetings can include tribal partnerships, meetings with Child Care Aware partners, Educational Service District (ESD) partners, or other key partners in the region essential to ECEAP expansion and partnerships.

--In each fiscal year, one visit to each new classroom in the first year for training, monitoring and technical assistance at an average of 120 miles round trip with overnights required for half. One classroom = 20 slots.

--In each fiscal year, one visit to each of the new classrooms from the previous fiscal year for targeted technical assistance at an average of 120 miles round trip with overnights required for half.

--In each fiscal year, travel costs for ECEAP contractor staff to attend professional development and directors' meetings for the new ECEAP directors at an average of 120 miles round trip with some overnight lodging.

--In each fiscal year, contractor travel is required to obtain training to perform the necessary duties of the ECEAP contract; therefore, travel will be reimbursed at a rate not exceeding the state per diem rate. Travel is directly related to trainings and meetings to ensure consistent quality implementation of ECEAP across contractors.

EQUIPMENT

FY20: \$21,600 One-time expenditures for office furniture and equipment for 3 new FTE. , at the rate of \$7,200 per FTE.

CLIENT SERVICE CONTRACTS

Based on rates for similar programs already in operation (Early Head Start), the department estimates that it would cost \$19,388 per child for direct program delivery. The department assumes 154 children served over the 10 pilot sites annually. DCYF assumes the following costs:

FY20-23: \$2,985,752 per fiscal year.

INTRA-AGENCY REIUMBURSEMENTS

FY20: \$87,844

FY21-22: \$73,551 each fiscal year

FY23: \$81,319

These costs, calculated at the rate of 26.54 percent of combined salaries and benefits, are for indirect expenditures including agency administration and central services.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	20,543,884	37,014,046	57,557,930	124,351,342	134,371,204
Total \$			20,543,884	37,014,046	57,557,930	124,351,342	134,371,204

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	5.9	7.0	6.5	10.1	8.0
A-Salaries and Wages	435,892	510,700	946,592	1,447,415	1,157,534
B-Employee Benefits	156,263	183,811	340,074	525,642	418,150
C-Professional Service Contracts	200,700	25,200	225,900		
E-Goods and Other Services	280,481	548,400	828,881	1,914,726	2,201,100
G-Travel	29,508	37,200	66,708	104,700	79,200
J-Capital Outlays	36,000	14,400	50,400	28,800	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	19,247,882	35,510,011	54,757,893	119,806,409	130,097,034
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	157,158	184,324	341,482	523,650	418,186
9-					
Total \$	20,543,884	37,014,046	57,557,930	124,351,342	134,371,204

III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
Commerce Specialist 2		1.0	1.0	1.0	2.0	1.0
Commerce Specialist 3		1.0	2.0	1.5	3.5	3.0
Commerce Specialist 4	75,680	1.0	1.0	1.0	1.0	1.0
Commerce Specialist 5	83,550		1.0	0.5	1.0	1.0
IT Specialist 5		0.9		0.5	0.1	
Management Analyst 5	77,614	1.0	1.0	1.0	1.0	1.0
Program Specialist 3					0.5	1.0
WMS Band 1		1.0	1.0	1.0	1.0	
Total FTEs		5.9	7.0	6.5	10.1	8.0

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.

None