

Individual State Agency Fiscal Note

Bill Number: 1537 HB	Title: Child care licensing	Agency: 307-Department of Children, Youth, and Families
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-Federal 001-2	14,000		14,000		
Total \$	14,000		14,000		

Estimated Operating Expenditures from:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	5.5	0.0	2.8	0.0	0.0
Account					
General Fund-State 001-1	775,000	0	775,000	0	0
General Fund-Federal 001-2	14,000	0	14,000	0	0
Total \$	789,000	0	789,000	0	0

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/24/2023
Agency Preparation: Kevin Keogh	Phone: 360-628-2652	Date: 01/30/2023
Agency Approval: James Smith	Phone: 360-764-9492	Date: 01/30/2023
OFM Review: Carly Kujath	Phone: (360) 790-7909	Date: 01/31/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1 reduces the staffing and square foot requirements for child care facilities. This would require reassessing and reissuing licenses for all child care facilities to align with the new child capacity laws.

Section 2 references the RCW in Section 1 as establishing minimum health and safety recommendations for child care and preschool programs. Health and safety standards are not specifically referenced or defined in Section 1 and Section 1 already related to child care and preschool programs. Therefore this change is deemed to have no fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

See Expenditures for FTE cost calculations.

A 18.43% admin support rate is applied to all FTE costs to fund program support functions that scale with additional FTEs such as HR, IT, and Fiscal. This cost is represented in object T of this decision package.

13% of this admin support rate is funded via Title IV-E. With an increased staff salaries and benefits of \$572,000, increased revenue would be as follows:

FY24: $\$572,000 * 18.43\% * 13\% = \$14,000$

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 1

Total Costs are \$789,000 and 5.5 FTEs in order to reassess and reissue licenses for all previously licensed child care facilities across the state. Costs are all one-time in FY24.

There are approximately 3,056 Family Home Licenses, 1,694 Child Care Centers and 565 School Age programs that will need to be relicensed. This is a total of 5,315 facilities. Assuming each license requires 2 hours of work this would take a total of 10,630 hours to complete. This would require 5 temporary Social and Program Health Specialist 2s (SHPC2s) working for a year to complete (10,630 hours /2088 hours per FTE per year). Total salaries, benefits, goods and services, standard travel, equipment, and admin support for these FTEs would cost \$662,000.

Relicensing would also require traveling to each of these facilities in order to remeasure their square footage. Assuming an average of 15 miles per trip and 5,315 facilities, this would cost an additional \$50,000 in travel.

Because the changes in the RCW contradict the WACs regarding minimum staffing and square footage per child, the WACs would have to be updated as well. Any updates to the child care WACs require a negotiated rule making process including several meetings with stakeholders. The Department of Children Youth and Families estimates that this would require a Management Analyst 5 (MA5), acting as a project manager for these updates, approximately 6 months (0.5 FTEs) to complete this process. Total salaries, benefits, goods and services, standard travel, equipment, and admin support for this FTE would cost \$77,000.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	775,000	0	775,000	0	0
001-2	General Fund	Federal	14,000	0	14,000	0	0
Total \$			789,000	0	789,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	5.5		2.8		
A-Salaries and Wages	421,000		421,000		
B-Employee Benefits	150,000		150,000		
C-Professional Service Contracts					
E-Goods and Other Services	10,000		10,000		
G-Travel	63,000		63,000		
J-Capital Outlays	40,000		40,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	105,000		105,000		
9-					
Total \$	789,000	0	789,000	0	0

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 2024	FY 2025	2023-25	2025-27	2027-29
Management Analyst 5	91,525	0.5		0.3		
Soc & Health Prog Cons 2	75,121	5.0		2.5		
Total FTEs		5.5		2.8		0.0

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Early Learning (030)	684,000		684,000		
Program Support (090)	105,000		105,000		
Total \$	789,000		789,000		

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 1 contradicts current WACs regarding minimum staffing and square footage per child, so these WACs would have to be revised.