

Multiple Agency Fiscal Note Summary

Bill Number: 1451 HB	Title: Child care workforce
-----------------------------	------------------------------------

Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Children, Youth, and Families	0	0	6,000	0	0	6,000	0	0	6,000
Total \$	0	0	6,000	0	0	6,000	0	0	6,000

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	Fiscal note not available					
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Children, Youth, and Families	1.0	316,000	316,000	322,000	1.0	266,000	266,000	272,000	1.0	266,000	266,000	272,000
Department of Children, Youth, and Families	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Superintendent of Public Instruction	Fiscal note not available											
Total \$	1.0	316,000	316,000	322,000	1.0	266,000	266,000	272,000	1.0	266,000	266,000	272,000

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Children, Youth, and Families	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Val Terre, OFM	Phone: (360) 280-3973	Date Published: Preliminary 2/ 7/2023
------------------------------------	---------------------------------	---

Individual State Agency Fiscal Note

Bill Number: 1451 HB	Title: Child care workforce	Agency: 307-Department of Children, Youth, and Families
-----------------------------	------------------------------------	--

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	3,000	3,000	6,000	6,000	6,000
Total \$	3,000	3,000	6,000	6,000	6,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	183,000	133,000	316,000	266,000	266,000
General Fund-Federal 001-2	3,000	3,000	6,000	6,000	6,000
Total \$	186,000	136,000	322,000	272,000	272,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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: Omeara Harrington	Phone: 360-786-7136	Date: 01/27/2023
Agency Preparation: Renee Slaybaugh	Phone: 360-688-8714	Date: 02/06/2023
Agency Approval: Sarah Emmans	Phone: 360-628-1524	Date: 02/06/2023
OFM Review: Carly Kujath	Phone: (360) 790-7909	Date: 02/06/2023

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.

HB 1451 is an act relating to expanding the childcare workforce.

Section 3 requires the Department of Children, Youth, and Families (DCYF), by December 1, 2023, to develop and publish on its website a manual containing certain curriculum elements for a program to assist middle and high school-aged youth who care for younger relatives. This section also requires DCYF to consult with organizations that current operate similar programs.

Section 4(1) requires DCYF to develop recommendations on how to utilize funds to expand the substitute pool for childcare and early learning providers and provide additional career coaching to substitute providers.

Section 4(2) requires DCYF to provide a report to the appropriate committees of the legislature by December 1, 2023. The report must detail the recommendations under subsection (1) and include updates as to milestones achieved as of the reporting date and projections for achievement of future goals.

Section 5(1) requires DCYF, subject to appropriation, to administer a grant program for one or more organizations that focus on working with childcare workers to establish new affordable, high-quality childcare and early learning programs. DCYF must establish requirements for the application and award process, number of awards, and allowable uses of grant funds, and must begin distributing funds by September 1, 2023.

Section 5(3) requires grant recipients to provide information to DCYF by October 1, 2024, detailing the use of grant funds.

Section 5(4) requires DCYF to provide a report on the grant program and use of funds to the appropriate committees of the legislature by December 1, 2024.

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.

Title IV-E, the federal reimbursement is 13% for most back-office staff. The agency estimates eligible reimbursements of \$6,000.

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.

The Department of Children, Youth, and Families (DCYF) estimates \$322,000 (\$316,00 GF-S, \$6,000 IV-E) and 1.0 Full Time Equivalent Staff (FTE) in the 21-23 Biennium.

The fiscal impact to DCYF for Section 5 is indeterminate as this Section is subject to appropriation.

Section 3(1)

PROFESSIONAL SERVICE CONTRACTS: One-time costs in FY24 of \$23,110 for:

- 1) Coordination and facilitation of design groups for initial development and refinement of program manual, per diem rate for participants, child/adult care for participants, and designer wage to pay participants for their time; and
- 2) Production of manual including organization of data and themes, production of report, translation, and graphic design to

ensure accessibility.

DCYF assumes the convening of 1 design group to develop and refine the program manual. The design group will have 7 participants. The design group will meet a total of 6 times (3 times during the initial development phase and 3 times during the refinement phase), and two sprints (1 sprint = 12 hours and can be split into different chunks of work time).

These costs assume production costs of \$5,000, plus coordination and facilitation costs of:

Wages for design of material are estimated to cost \$8,400 for seven people ($\$600/\text{person} \times 7 \text{ participants} \times 2 \text{ sprints} = \$8,400$)

Family care cost of \$2,160 for three people ($\$360/\text{person} \times 3 \text{ participants} \times 2 \text{ sprints} = \$2,160$)

Per Diem cost of \$350 for seven people ($\$25/\text{person} \times 7 \text{ participants} \times 2 \text{ sprints} = \350)

Organization costs of \$2,400 ($\$1,200/\text{sprint} \times 2 \text{ sprints} = \$2,400$)

Facilitation costs of \$4,800 ($\$2,400/\text{sprint} \times 2 \text{ sprints} = \$4,800$)

Please see backup tab 2, attached.

Section 4(1),(2)

PROFESSIONAL SERVICE CONTRACTS: One-time costs in FY24 of \$20,110 for:

- 1) Coordination and facilitation of design groups, facilitation of sessions, per diem rate for participants, child/adult care for participants, and designer wage to pay participants for their time; and
- 2) Organization of data, themes, and production of the recommendations report required by the Bill.

DCYF assumes the convening of 1 design group to develop and refine the program manual. The design group will have 7 participants. The design group will meet a total of 6 times (3 times during the initial development phase and 3 times during the refinement phase), and two sprints (12 hours each).

These costs assume recommendation costs of \$2,000, plus coordination and facilitation costs of:

Wages for design of material are estimated to cost \$8,400 for seven people ($\$600/\text{person} \times 7 \text{ participants} \times 2 \text{ sprints} = \$8,400$)

Family care cost of \$2,160 for three people ($\$360/\text{person} \times 3 \text{ participants} \times 2 \text{ sprints} = \$2,160$)

Per Diem cost of \$350 for seven people ($\$25/\text{person} \times 7 \text{ participants} \times 2 \text{ sprints} = \350)

Organization costs of \$2,400 ($\$1,200/\text{sprint} \times 2 \text{ sprints} = \$2,400$)

Facilitation costs of \$4,800 ($\$2,400/\text{sprint} \times 2 \text{ sprints} = \$4,800$)

Please see backup tab 2, attached.

Section 5

Section 5 is subject to appropriation; therefore, fiscal impact to the Department of Children, Youth and Families (DCYF) is indeterminate.

For illustrative purposes, contracts for similar work are estimated to cost roughly \$4,600,000 for two years (\$2,300,000 per fiscal year).

Training, Business Support & New Program Mentorship (\$1,250,000 each fiscal year, ongoing) and Shared Services/Business Practices (\$600,000 each fiscal year, ongoing) to:

Support opening 80 new childcare businesses, support 80 existing childcare providers with mentorship development, and sustain business supports and resources for 1300 providers.

- 1) Training - Includes delivering training to existing childcare providers and those that are working towards licensure to

support their knowledge of business practices, health and safety training, and other required and continuing education training. This also includes funding to support the development and refinement of training, and release time for resources to support early learning programs with release time from their program to participate in professional development opportunities;

2) Technology and business support - Includes resources to fund tools, subscriptions, memberships, and software for early learning programs to access support with business-related topics like marketing, human resources, taxes, and bookkeeping; and

3) New Program Mentorship - Includes resources to support programs that help individuals become licensed childcare providers. This includes wages for those gaining on-the-job experience, program startup, financial awards to support quality environments.

Technical Assistance, Outreach and Engagement (\$450,000 each fiscal year, ongoing) to:

Support daily technical assistance outreach to providers (up to 250 phone calls per day in various languages).

1) Technical Assistance - Includes resources to staff technical assistance providers to assist program participants with navigating programs and software; and

2) Outreach and marketing - Includes resources to recruit participants into programs that support the establishment of new early learning programs and other programs that help sustain existing businesses, resources to support translation and interpretation, advertising, conduct outreach, and develop materials.

All contract costs include 15% administrative fees as currently allowed in existing contracts.

Please see backup tab 1 attached.

Sections (3)(4)(5)

Total staffing costs are \$279,000 for:

1.0 FTE Management Analyst 4 (MA4), ongoing to manage service contracts, support stakeholder collaboration for sections 3, 4 and 5 required by this Bill, and the implementation of the manual outlined in section 3.

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	183,000	133,000	316,000	266,000	266,000
001-2	General Fund	Federal	3,000	3,000	6,000	6,000	6,000
Total \$			186,000	136,000	322,000	272,000	272,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	83,000	83,000	166,000	166,000	166,000
B-Employee Benefits	28,000	28,000	56,000	56,000	56,000
C-Professional Service Contracts	43,000		43,000		
E-Goods and Other Services	2,000	2,000	4,000	4,000	4,000
G-Travel	2,000	2,000	4,000	4,000	4,000
J-Capital Outlays	7,000		7,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	21,000	21,000	42,000	42,000	42,000
9-					
Total \$		186,000	136,000	322,000	272,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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 4	82,901	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	1.0	1.0	1.0

III. D - Expenditures By Program (optional)

NONE

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.