

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5423 S SB	<b>Title:</b> Working conn. child care
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## 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
Office of Administrative Hearings	0	0	22,000	0	0	22,000	0	0	22,000
Department of Children, Youth, and Families	0	0	4,000	0	0	4,000	0	0	4,000
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>26,000</b>	<b>0</b>	<b>0</b>	<b>26,000</b>	<b>0</b>	<b>0</b>	<b>26,000</b>

## 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
Office of Administrative Hearings	.0	0	0	22,000	.0	0	0	22,000	.0	0	0	22,000
Department of Children, Youth, and Families	1.1	7,029,000	7,029,000	7,033,000	1.1	9,028,000	9,028,000	9,032,000	1.1	9,028,000	9,028,000	9,032,000
<b>Total \$</b>	<b>1.1</b>	<b>7,029,000</b>	<b>7,029,000</b>	<b>7,055,000</b>	<b>1.1</b>	<b>9,028,000</b>	<b>9,028,000</b>	<b>9,054,000</b>	<b>1.1</b>	<b>9,028,000</b>	<b>9,028,000</b>	<b>9,054,000</b>

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Administrative Hearings	.0	0	0	.0	0	0	.0	0	0
Department of Children, Youth, and Families	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

NONE

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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5423 S SB	<b>Title:</b> Working conn. child care	<b>Agency:</b> 110-Office of Administrative Hearings
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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
Administrative Hearings Revolving Account-State 484-1	11,000	11,000	22,000	22,000	22,000
<b>Total \$</b>	11,000	11,000	22,000	22,000	22,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	0.0	0.0
<b>Account</b>					
Administrative Hearings Revolving Account-State 484-1	11,000	11,000	22,000	22,000	22,000
<b>Total \$</b>	11,000	11,000	22,000	22,000	22,000

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Josh Hinman	Phone: 3607867281	Date: 02/02/2023
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 02/08/2023
Agency Approval: Deborah Feinstein	Phone: 360-407-2717	Date: 02/08/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/08/2023

## 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 (5) (a) expands the eligibility process to receive working connections child care benefits for person participating in registered apprenticeships for the first 12 months of the person's apprenticeship if the person's household income does not exceed 85 percent of the state median income at the time of application. Section 1 (5) (b) identifies the copayment model for benefits for the group identified in subsection (a).

Work activities associated with the enactment of this bill will begin on July 1, 2023.

### 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.*

As a central service agency, the Office of Administrative Hearings (OAH) bills referring agencies for its costs and collects the revenue into the Administrative Hearings Revolving Account. Cash receipts are assumed to equal costs. OAH will bill the Department of Children, Youth, and Families for the costs related to this proposed legislation.

These cash receipts represent the OAH's authority to bill and are not a direct appropriation to OAH. Appropriation authority is necessary in OAH's budget.

### 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 estimates that the proposed legislation will result in 15 new appeals being referred to the Office of Administrative Hearings (OAH) per fiscal year beginning in FY 2024. On average, each appeal is expected to take approximately 4 hours of line Administrative Law Judge (ALJ) time including prehearing conferences, hearings, order writings, etc.

OAH Agency Workforce Assumptions:

- (1) The Governors proposed COLA increases in FY2024 and FY2025, and Collective Bargaining Agreement increases are not included in agency cost projections. Additional funding is required if these proposals are enacted.
- (2) Ratio of 1.0 FTE line ALJ to 0.15 Senior ALJ (SALJ), to 0.6 Legal Assistant 2 (LA2) (Range 40 step L), to 0.25 administrative support Management Analyst 5 (MA5) (Range 64 Step L).
- (3) ALJ salary is based on the ALJ collective bargaining agreement and assumed to be at step L. (Line ALJ-range 70. Senior ALJ-range 74.)
- (4) Benefit rates were analyzed by job class and projected using the latest benefit information available.
- (5) Goods and services, travel and on-going capital outlays were projected based on historical data for each of the job classifications.

Total workload impact beginning in FY 2024: 0.04 ALJ and support staff at a cost rounded to \$11,000.

Legal services associated with the enactment of this bill will begin on July 1, 2023.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
484-1	Administrative Hearings Revolving Account	State	11,000	11,000	22,000	22,000	22,000
<b>Total \$</b>			11,000	11,000	22,000	22,000	22,000

### III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	0.0	0.0
A-Salaries and Wages	7,000	7,000	14,000	14,000	14,000
B-Employee Benefits	2,000	2,000	4,000	4,000	4,000
C-Professional Service Contracts					
E-Goods and Other Services	2,000	2,000	4,000	4,000	4,000
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-					
<b>Total \$</b>	11,000	11,000	22,000	22,000	22,000

### 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
Administrative Law Judge	106,152	0.0	0.0	0.0	0.0	0.0
<b>Total FTEs</b>		0.0	0.0	0.0	0.0	0.0

### III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Chile & Family Care (CFC)	11,000	11,000	22,000	22,000	22,000
<b>Total \$</b>	11,000	11,000	22,000	22,000	22,000

## 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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5423 S SB	<b>Title:</b> Working conn. child care	<b>Agency:</b> 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	2,000	2,000	4,000	4,000	4,000
<b>Total \$</b>	2,000	2,000	4,000	4,000	4,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
<b>Account</b>					
General Fund-State 001-1	2,515,000	4,514,000	7,029,000	9,028,000	9,028,000
General Fund-Federal 001-2	2,000	2,000	4,000	4,000	4,000
<b>Total \$</b>	2,517,000	4,516,000	7,033,000	9,032,000	9,032,000

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Josh Hinman	Phone: 3607867281	Date: 02/02/2023
Agency Preparation: Ashley McEntyre	Phone: 2533064501	Date: 02/07/2023
Agency Approval: Sarah Emmans	Phone: 360-628-1524	Date: 02/07/2023
OFM Review: Carly Kujath	Phone: (360) 790-7909	Date: 02/07/2023

## 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.*

Comparison of SSB 5423 and SB 5423

Section 1(5)(a) is amended to remove the original bill's requirement that an applicant or consumer must be eligible for Working Connections Child Care for a period of 12 months immediately preceding the family's enrollment in the apprenticeship program.

SSB 5423

Section 1(5)(a) amends RCW 43.216.136 to expand eligibility for Working Connections Child Care to individuals enrolled in a state registered apprenticeship program under chapter 49.04 RCW, regardless of whether or not the individual otherwise meets eligibility requirements as long as the household income does not exceed 85 percent of the State Median Income (SMI) at the time of application.

Section 1(5)(b) states the Department of Children, Youth, and Families (DCYF) must adopt a copayment model for benefits granted under this subsection for families with household incomes between 60% and 85% of the state median income at application, which must align with any copayment identified or adopted under RCW 43.216.1368.

### 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 percent. The agency estimates eligible reimbursements of \$4,000.

### 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 estimates \$7,579,000 (\$7,575,000 GF-S) and 1.0 Full Time Equivalent Staff (FTEs) in the 23-25 Biennium.

Section 1(5)

Total Costs are \$2,517,000 in FY 24, \$4,516,000 in FY25 and 1.0 FTE – this will include any costs associated with the below and all costs in the model that include the standard FTE costs.

1.0 FTE:

-1.0 Public Benefit Specialist 3 (PBS3)

This section of the bill increases eligibility to children of individuals participating in a state registered apprenticeship, resulting in increased caseload for the WCCC eligibility staff.

DCYF assumes for every 200 cases 1 PBS3 will be required, for every 12 PBS3s, 1 PBS4 will be required, and for every 12 PBS3/4s, 1 PBS5 will be required. These positions will assist eligible families in the application and enrollment process for WCCC and provide training to other staff. The annual cost is estimated to be \$128,000 in FY24 and \$120,000 in FY25

and thereafter.

CLIENT SERVICES: \$2,374,000 in FY24 and \$4,396,000 in FY25 to increase eligibility to include participants in state registered apprenticeships.

Expenditure impacts assume participation in WCCC by participants in apprenticeship programs who are newly eligible to the program due to the impacts of the bill, which are primarily those who have been previously precluded because of the income limitation.

Based on data from the Department of Labor and Industries (L&I), there were 6,571 new apprenticeships in calendar year 2021 and 6,971 in calendar year 2022. DCYF assumes an average of 6,771 new apprenticeships per year. DCYF further assumes 3,142, or 46.4% of families, will have minor children, based on census data provided by the Office of Financial Management (OFM). DCYF assumes a 15% uptake rate for 471 new cases. Based on Child Care Subsidy application data for the 2022 calendar year, DCYF assumes a 60% approval rate and a 40% denial rate due to either missing verification, no approved activity, over income eligibility, or other reasons. Increasing eligibility for the 40% that are denied would lead to 188 newly eligible families (471 X 40%).

DCYF assumes assigning a copayment of \$215 per family who are in the 60-75% State Median Income Bracket (SMI) based on RCW 43.216.1368. DCYF assumes a copayment of \$334 per family who are in the 75-85% income based on \$334 being 7% of the 2-person SMI effective April 2023. This leads to an average copay increase of \$274.50. The current average copay is \$65. This will lead to a per cap charge of \$1,948.73; this is calculated as the current WCCC per cap minus the delta in copays (\$274.50 - \$65).

DCYF assumes a twelve month ramp up which will result in 54% of the new annual caseload achieved in FY24 and the full caseload achieved in FY25. The annual cost in FY 24 is \$2,389,000 (188 X \$1,948.73 X 12-month eligibility X 54% ramp up). The annual cost in FY25 is \$ 4,396,000 (188 cases X \$1,948.73 X 12-month eligibility).

PROFESSIONAL SERVICE CONTRACTS: A one-time expenditure in FY24 of \$15,000 to contract with the Department of Social and Health Services (DSHS) for updating Barcode.

DCYF assumes that it will take approximately 40 hours of DSHS IT Business Analyst Senior time and 160 hours of IT App Developer Senior time to update the Barcode system.

### 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	2,515,000	4,514,000	7,029,000	9,028,000	9,028,000
001-2	General Fund	Federal	2,000	2,000	4,000	4,000	4,000
<b>Total \$</b>			<b>2,517,000</b>	<b>4,516,000</b>	<b>7,033,000</b>	<b>9,032,000</b>	<b>9,032,000</b>

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
A-Salaries and Wages	69,000	69,000	138,000	138,000	138,000
B-Employee Benefits	28,000	28,000	56,000	56,000	56,000
C-Professional Service Contracts	15,000		15,000		
E-Goods and Other Services	2,000	2,000	4,000	4,000	4,000
G-Travel	3,000	3,000	6,000	6,000	6,000
J-Capital Outlays	8,000		8,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	2,374,000	4,396,000	6,770,000	8,792,000	8,792,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	18,000	18,000	36,000	36,000	36,000
9-					
<b>Total \$</b>	<b>2,517,000</b>	<b>4,516,000</b>	<b>7,033,000</b>	<b>9,032,000</b>	<b>9,032,000</b>

**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
Public Benefit Specialist 3	61,628	1.1	1.1	1.1	1.1	1.1
<b>Total FTEs</b>		1.1	1.1	1.1	1.1	1.1

**III. D - Expenditures By Program (optional)**

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Early Learning (030)	2,499,000	4,498,000	6,997,000	8,996,000	8,996,000
Program Support (090)	18,000	18,000	36,000	36,000	36,000
<b>Total \$</b>	<b>2,517,000</b>	<b>4,516,000</b>	<b>7,033,000</b>	<b>9,032,000</b>	<b>9,032,000</b>

**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(5) will require amendments to WAC 110-15-0004 Eligibility, WAC 110-15-0045 Approvable Activities, and WAC 110-14-0075 Income Eligibility and Copay Amounts.