

Individual State Agency Fiscal Note

Bill Number: 1676 HB	Title: Special ed. early support	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 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	58,200,000	62,776,000	120,976,000	125,552,000	125,552,000
Total \$	58,200,000	62,776,000	120,976,000	125,552,000	125,552,000

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: Omeara Harrington	Phone: 360-786-7136	Date: 02/02/2023
Agency Preparation: Renee Slaybaugh	Phone: 360-688-8714	Date: 02/10/2023
Agency Approval: Sarah Emmans	Phone: 360-628-1524	Date: 02/10/2023
OFM Review: Carly Kujath	Phone: (360) 790-7909	Date: 02/14/2023

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 1676 is an Act relating to special education early support for infants and toddlers; and amends RCW 43.216.580.

Section 2(a) changes the multiplier for the ESIT funding formula from 1.15 times the special education basic education allocation rate, to 1.38.

Section 2(c) changes the way a child receiving services is defined for the purposes of ESIT funding. The definition is changed from a child received early intervention services if the child has received services within a month prior to the monthly count day to "the same month as" the monthly count day. This section specifies that the monthly count day must take place last on the last business day of the month.

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.

None.

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 a cost of \$120,976,000 GF-S for the 23-25 Biennium.

Section 2(a)

This section of the bill increases funding for ESIT by changing the funding formula multiplier from 1.15 to 1.38. DCYF estimates a cost of \$57,426,000 for the 2023-25 Biennium based on the November 2022 Caseload Forecast Council (CFC) caseload and estimated special education basic education allocation (SpEd BEA) rates for each year, times the difference between 1.38 and 1.15.

For FY 2024, the cost is estimated at \$27,627,000, based on the difference between the 1.38 and 1.15 multipliers X the November 2022 CFC caseload of 11,571 X the November 2022 estimate of the SpEd BEA rate of \$10,381.

For FY 2025, the cost is estimated at \$29,799,000, based on the difference between the 1.38 and 1.15 multipliers X the November 2022 CFC caseload of 12,059 X the November 2022 estimate of the SpEd BEA rate of \$10,744.

Section 2(c)

DCYF estimates a total cost of \$63,550,000 to implement the changes to caseload anticipated under this section of the bill.

DCYF estimates a cost of \$9,094,000 to define the monthly count day as the last business day of the month. DCYF currently uses the first business day of the month as the monthly count day.

Section 2(c) requires DCYF to change the monthly count day as the last business day of the month. This change has the effect of including children who entered the program between the first business day and the last business day of the month. Using historical ESIT program data, this adds about a 2.7 percent increase to the caseload.

For FY 2024, the cost is \$4,375,000 based on an increase of 2.7 percent X the November 2022 CFC caseload of 11,571 X the November 2022 estimate of the SpEd BEA rate of \$10,381 X the 1.38 multiplier.

For FY 2025, the cost is \$4,719,000 based on an increase of 2.7 percent X the November 2022 CFC caseload of 12,059 X the November 2022 estimate of the SpEd BEA rate of \$10,744 X the 1.38 multiplier.

DCYF estimates a cost of \$54,456,000 to include all children received services within the "same month as" the monthly count day if the monthly count day is the last day of the month. Currently, ESIT funding is allocated based on all children counted on the monthly count day, which excludes those who exited the program before the last day of the month. Based on historical ESIT program data, this change would increase the ESIT caseload by roughly 15.8 percent.

For FY 2024, the cost is \$26,198,000 based on an increase of 15.8 percent X the November 2022 CFC caseload of 11,571 X the November 2022 estimate of the SpEd BEA rate of \$10,381 X the 1.38 multiplier.

For FY 2025, the cost is \$28,258,000 based on an increase of 15.8 percent X the November 2022 CFC caseload of 12,059 X the November 2022 estimate of the SpEd BEA rate of \$10,744 X the 1.38 multiplier.

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	58,200,000	62,776,000	120,976,000	125,552,000	125,552,000
Total \$			58,200,000	62,776,000	120,976,000	125,552,000	125,552,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	58,200,000	62,776,000	120,976,000	125,552,000	125,552,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	58,200,000	62,776,000	120,976,000	125,552,000	125,552,000

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Early Learning (030)	58,200,000	62,776,000	120,976,000	125,552,000	125,552,000
Total \$	58,200,000	62,776,000	120,976,000	125,552,000	125,552,000

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.