

Individual State Agency Fiscal Note

Bill Number: 5225 SB	Title: Working conn. child care	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	2,000	1,000	3,000	2,000	
Total \$	2,000	1,000	3,000	2,000	

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	0.5	0.8	0.5	0.0
Account					
General Fund-State 001-1	1,220,000	2,860,000	4,080,000	2,128,000	230,000
General Fund-Federal 001-2	2,000	1,000	3,000	2,000	0
Total \$	1,222,000	2,861,000	4,083,000	2,130,000	230,000

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.

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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.

5225 SB Working Connection Child Care increases eligibility to children of child care employees, children whose parents are full time college students who have children who are not federally eligible, and children of families participating in therapeutic courts.

Section 2 adds a new section to RCW 43.216 to expand Working Connections Child Care (WCCC) eligibility to include employees of child care centers or family home providers beginning October 1, 2023.

Section 3(2)(d) amends RCW 43.216.136 and 2021 c 199 s 202 expand WCCC eligibility to children with a parent or guardian participating in a specialty court or therapeutic court and meet other eligibility requirements.

Section 3(5) amends RCW 43.216.136 to expand WCCC eligibility to children of student parents who are not federally eligible due to immigration status, but who meet other eligibility requirements.

Section 4(7) adds that the copayment calculations do not apply to households eligible for the WCCC program under section 2 of this act.

Section 6 establishes an effective date of October 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.

Title IV-E, the federal reimbursement is 13 percent. The agency estimates eligible reimbursements of \$3,000. (For most back-office staff)

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 \$4,083,000 (\$4,080,000 GF-S) and 1.0 Full Time Equivalent Staff (FTEs) in the 23-25 Biennium.

Section 2(1)

Total Costs are \$870,000 in FY 24, \$2,358,000 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's:

--0.50 Public Benefit Specialist 3 (PBS3)

--0.50 Admin Reg Analyst 4 (ARA4) project, ending 12/30/2023

This section of the bill increases eligibility to children of employees of childcare centers and licensed family homes (excluding owners), 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 \$68,000 in FY24 and \$53,000 in FY25 and thereafter.

0.50 FTE (approximately 1,044 hours) ARA4 will develop WAC and coordinate rules for the implementation of this bill. Costs of \$68,000 are all one-time in FY24.

CLIENT SERVICES: \$720,000 in FY24 and \$2,305,000 in FY25 to increase eligibility to include employees of Child Care Centers and Licensed Family Homes.

DCYF assumes that, between licensed Child Care Centers and Licensed Family Homes (excluding owners), there are 24,929 childcare employees in Washington State based on DCYF employee data for centers and homes, per MERIT (where employment is verified in compliance with 110-300-0015) data pulled on 12/7/22. This is 21,564 employees in Center Based programs and 3,365 employees in Licensed Family programs. Of these employees, DCYF assumes 46.6% will have children. DCYF further assumes a 15% uptake, based on the average uptake rate for families eligible for WCCC. Of these 1,743 families, DCYF assumes 5% do not already qualify under existing eligibility guidelines. This will lead to an estimated 87 newly eligible families.

Section 4(7) of this bill states that the copayment calculations do not apply to this eligible population. As a result, DCYF assumes the cost for these families will be the monthly per cap cost (\$2,158.23) plus the difference of the average family copay and the highest copay provided in this bill, which is \$50. The total monthly cost per child is estimated to be \$2,208.23.

DCYF assumes that it will take twelve months to reach the full case load with an even monthly distribution for the first twelve months, beginning in October 2023. This leads to 31.25% of the caseload increase achieved in FY24 and full caseload achieved in FY25. The annual cost in FY 24 is \$720,000 (87 cases X \$2,208.23 X 12-month eligibility X 31.25% ramp up). The annual cost in FY25 is \$ 2,305,000 (87 cases X \$2,208.23 X 12-month eligibility).

PROFESSIONAL SERVICE CONTRACTS: A one-time expenditure in FY24 of \$26,000 to contract with the Department of Social and Health Services (DSHS) for updating Barcode.

DCYF assumes that it will take approximately 174 hours of DSHS IT Business Analyst Senior time and 174 hours of IT App Developer Senior time to update the Barcode system.

SECTION 3(3)(d)

Total Costs are \$224,000 in FY 24 and \$388,000 in FY25.

This section of the bill increases eligibility to include children of families in therapeutic or specialty courts.

CLIENT SERVICES: \$211,000 in FY24 and \$388,000 in FY25.

DCYF assumes that 100 families per year will participate in specialty or therapeutic court, based on current participation rates. DCYF further assumes a 15% uptake based on the average uptake rate for families eligible for WCCC. This will lead to an estimated 15 newly eligible families.

DCYF assumes that it will take twelve months to reach the full case load, which will lead to 54.2% of the caseload in FY24, and full caseload in FY25. The annual cost in FY 24 is \$211,000 (15 cases X \$2,158.23 per cap X 12-month eligibility X 54.2% ramp up). The annual cost in FY25 is \$388,000 (15 cases X \$2,158.23 per cap X 12-month eligibility).

PROFESSIONAL SERVICE CONTRACTS: A one-time expenditure in FY24 of \$12,600 to contract with DSHS for

Barcode programming.

DCYF assumes that it will take approximately 87 hours of DSHS IT Business Analyst Senior time and 87 hours of IT App Developer Senior time to update the Barcode system.

Section 3(5)

Total Costs are \$128,000 in FY24 and \$115,000 in FY25.

This section of the bill expands eligibility to children of student parents not federally eligible for WCCC.

CLIENT SERVICES: \$104,000 ongoing.

DCYF data shows that an average of 405 children of full-time student parents are eligible for WCCC. DCYF assumes that 1% of these children are not federally eligible. This will lead to an estimated 4 newly eligible families.

The annual cost for non-federally eligible children of student parents is \$104,000 (4 cases X \$2,158.23 per cap X 12-month eligibility).

PROFESSIONAL SERVICE CONTRACTS:

- A one-time expenditure in FY24 of \$12,600 to contract with DSHS for Barcode programming.
 - 87 hours of DSHS IT Business Analyst Senior time
 - 87 hours of IT App Developer Senior time
- Ongoing expenditures of \$11,000 to contract with the Office of Administrative Hearings (OAH) for new appeals.
 - 84 hours of OAH Administrative Law Judge (ALJ) time

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	1,220,000	2,860,000	4,080,000	2,128,000	230,000
001-2	General Fund	Federal	2,000	1,000	3,000	2,000	0
Total \$			1,222,000	2,861,000	4,083,000	2,130,000	230,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	0.5	0.8	0.5	
A-Salaries and Wages	72,000	31,000	103,000	62,000	
B-Employee Benefits	26,000	12,000	38,000	24,000	
C-Professional Service Contracts	63,000	11,000	74,000	22,000	22,000
E-Goods and Other Services	2,000	1,000	3,000	2,000	
G-Travel	2,000	1,000	3,000	2,000	
J-Capital Outlays	4,000		4,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	1,035,000	2,797,000	3,832,000	2,002,000	208,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	18,000	8,000	26,000	16,000	
9-					
Total \$	1,222,000	2,861,000	4,083,000	2,130,000	230,000

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
Admin Reg Analyst 4	85,020	0.5		0.3		
Public Benefit Specialist 3	61,628	0.5	0.5	0.5	0.5	
Total FTEs		1.0	0.5	0.8	0.5	0.0

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Early Learning (030)	1,204,000	2,853,000	4,057,000	2,114,000	230,000
Program Support (090)	18,000	8,000	26,000	16,000	
Total \$	1,222,000	2,861,000	4,083,000	2,130,000	230,000

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.

Sections 2-3: Rulemaking will be necessary to update WAC 110-15-0005 Eligibility, WAC 110-15-0021 Eligibility exclusions, WAC 110-15-0075 Determining income eligibility and copayment amounts - add in the WAC related to centers/home employee exclusions. The fiscal impact associated with the necessary rulemaking are factored into the FTE assumptions for this fiscal note.