

Individual State Agency Fiscal Note

Bill Number: 1511 HB	Title: Income/child care programs	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	2,000	4,000	7,000	10,000
Total \$	2,000	2,000	4,000	7,000	10,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	0.8	0.9	1.3	1.8
Account					
General Fund-State 001-1	2,872,000	5,177,000	8,049,000	24,658,000	38,948,000
General Fund-Federal 001-2	2,000	2,000	4,000	7,000	10,000
Total \$	2,874,000	5,179,000	8,053,000	24,665,000	38,958,000

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.

HB 1511 amends RCW 43.216.1368, 43.216.505, and 43.216.578 to exclude payments received through child support, social security benefits, or supplemental security income when calculating Working Connections Child Care (WCCC) and Early Childhood Education Assistance Program (ECEAP) eligibility and copayments. This bill also aims to align eligibility standards between WCCC and ECEAP.

Section 1(6) amends RCW 43.216.1368 to exclude payments received through child support, social security benefits, or supplemental security income when calculating WCCC eligibility and copayments.

Section 2(4)(a) amends RCW 43.216.505 to adjust the consideration of family income to exclude payments received through child support, social security benefits, or supplemental security income when calculating ECEAP eligibility and copayments. This section expires July 1, 2026.

Section 3(4)(e) amends RCW 43.216.505 to adjust the definition of “eligible child”, specifically considerations for the term “Indian”, to exclude payments received through child support, social security benefits, or supplemental security income when calculating ECEAP eligibility.

Section 3(7) adjusts the definition of “family with financial need” to exclude payments received through child support, social security benefits, or supplemental security income when calculating ECEAP eligibility.

Section 4(5) amends RCW 43.216.578 to exclude payments received through child support, social security benefits, or supplemental security income when calculating Early ECEAP eligibility. This section expires July 1, 2026.

Section 5(4) amends RCW 43.216.578 to exclude payments received through child support, social security benefits, or supplemental security income when calculating Early ECEAP eligibility and align some eligibility standards between WCCC and ECEAP. This section takes effect July 1, 2026.

Section 6 states that sections 2 and 4 of this act expire July 1, 2026.

Section 7 states that sections 3 and 5 of this act expire July 1, 2026.

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 \$8,053,000 (\$8,049,000 GF-S) and 0.88 Full Time Equivalent Staff (FTEs) in the 23-25 Biennium.

Section 1(6)

Total Costs are \$2,874,000 in FY24, \$5,179,000 in FY25 and .88 FTE – this will include any costs associated with the below and all costs in the model that include the standard FTE costs.

1.0 Public Benefit Specialist 3 (PBS3)

-0.75 PBS3 ongoing

-0.25 PBS3 one-time ending 6/30/2024

This section of the bill increases the caseload for WCCC. DCYF assumes 1 PBS3 per 200 cases.

CLIENT SERVICES: \$2,749,500 in FY24 and \$5,100,000 in FY25.

This section of the bill requires DCYF to exclude payments received through child support, social security benefits, or supplemental security income when calculating WCCC eligibility and copayments. DCYF assumes this will increase the caseload, as well as decreasing copayments for some families who are already eligible. DCYF further assumes an average per cap of \$2,158.23 and an average copay of \$65.

DCYF eligibility data shows that 25% of approved child care subsidy cases include child support at application or reapplication, averaging \$424.87 per month. Under this bill 36% of those cases will have a lower WCCC copayment, or 2,466 cases. DCYF further assumes the copayment for these cases will be reduced by \$42. DCYF assumes a 12 month ramp up which will result in 54% of the annual new caseload achieved in FY24 and the full caseload achieved in FY25. The annual cost in FY24 is \$671,100 (2,466 cases X \$42 reduced copay X 12 month eligibility X 54%). The annual cost in FY25 is \$1,251,400 (2,483 cases X \$42 reduced copay X 12 month).

DCYF denies an average of 9 cases per month for being over income due to child support. DCYF assumes a consistent future trend leading to an additional 108 cases eligible per year. DCYF further assumes a per cap of \$2,200.35 (\$2,158.23 per cap + \$42 reduced copay). DCYF assumes a 12 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 FY24 is \$1,539,800 (108 new cases X \$2,200.35 per cap X 12 month eligibility X 54%). The annual cost in FY25 is \$2,851,500 (108 new cases X \$2,200.35 per cap X 12 month).

DCYF observes an average of 70 cases that have social security and SSI income. DCYF assumes excluding this income will decrease the family copayment an average of \$51. DCYF further assumes a 12 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 FY24 is \$23,100 (70 cases X \$51 reduced copay X 12 month eligibility X 54%). The annual cost in FY25 is \$42,800 (70 cases X \$51 reduced copay X 12 month).

DCYF denies 3 applications per month for being over income due to social security or SSI. DCYF assumes a consistent future trend leading to an additional 36 cases eligible per year. DCYF further assumes a per cap of \$2,209.23 (\$2,158.23 per cap + \$51 reduced copay). DCYF assumes a 12 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 FY24 is \$515,400 (36 new cases X \$2,209.23 per cap X 12 month eligibility X 54%). The annual cost in FY25 is \$954,400 (36 new cases X \$2,209.23 per cap X 12 month).

SECTION 2(4)(a)

Child Support, Social Security, and SSI are counted as part of the Early Childhood Education and Assistance Program (ECEAP) Performance Standards under PAO-45: Which Income to Count. This section of the bill proposes excluding these income sources when determining ECEAP eligibility. Caseload impacts associated with this section of the bill will not affect ECEAP expenditures until FY27, when entitlement is reached.

Total Costs are assumed to be incurred beginning FY27, when the ECEAP program becomes an entitlement program.

1.0 Commerce Specialist 3 (CS3)

This bill will increase the number of children eligible for ECEAP. Staffing will be needed to support with program and legislative requirements, monitoring, and data collection.

CLIENT SERVICES:

Currently, about 1% of children ECEAP serves are in families that receive SSI benefits. Without a change in eligibility, DCYF estimates this percentage to be consistent. According to Social Security Administration (SSA) reporting for 2022 and Office of Financial Management (OFM) population estimates, there are as many as 3,168 0-4 year-olds in families receiving SSI benefits, of which 650 are estimated to be age 3 and 653 are estimated to be age 4. Caseload Forecast Council assumes an uptake rate of 71% for 3 year olds and 85% for 4 year olds. for ECEAP indicate a potential increase in the ECEAP-eligible population of 462 3 year olds and 555 4 year olds, for a total of 1,017 children.

DCYF assumes 85% of the 1,017 new slots will be School Day and 15% will be Working Day. DCYF further assumes the School Day slot rate to be \$12,621 and the Working Day slot rate to be \$19,705. The annual cost for School Day slots is \$10,910,900 (865 School Day slots X \$12,621 slot rate).The annual cost for Working Day slots is \$3,007,000 (153 Working Day slots X \$19,705 slot rate).

Additionally, DCYF assumes an administrative rate of \$247 per slot. The annual cost is \$251,200 (1,017 slots X \$247).

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	2,872,000	5,177,000	8,049,000	24,658,000	38,948,000
001-2	General Fund	Federal	2,000	2,000	4,000	7,000	10,000
Total \$			2,874,000	5,179,000	8,053,000	24,665,000	38,958,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	0.8	0.9	1.3	1.8
A-Salaries and Wages	62,000	46,000	108,000	171,000	250,000
B-Employee Benefits	25,000	18,000	43,000	64,000	92,000
C-Professional Service Contracts	11,000		11,000		
E-Goods and Other Services	2,000	1,000	3,000	4,000	6,000
G-Travel	2,000	2,000	4,000	6,000	8,000
J-Capital Outlays	7,000		7,000	7,000	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	2,749,000	5,100,000	7,849,000	24,369,000	38,538,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	16,000	12,000	28,000	44,000	64,000
9-					
Total \$	2,874,000	5,179,000	8,053,000	24,665,000	38,958,000

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
Commerce Specialist 3	78,900				0.5	1.0
Public Benefit Specialist 3	61,628	1.0	0.8	0.9	0.8	0.8
Total FTEs		1.0	0.8	0.9	1.3	1.8

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Early Learning (030)	2,858,000	5,167,000	8,025,000	24,621,000	38,894,000
Program Support (090)	16,000	12,000	28,000	44,000	64,000
Total \$	2,874,000	5,179,000	8,053,000	24,665,000	38,958,000

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.

DCYF will need to write WAC for 110-15-0060, 110-15-0012, 110-15-0031, 110-15-0065, 110-15-0070, 110-425-0030, 110-425-0080, 110-425-0083, 110-425-0085, and 110-425-0087.