

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5591 S SB	<b>Title:</b> Dependent youth financial ed	<b>Agency:</b> 307-Department of Children, Youth, and Families
-------------------------------	--	--

## 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
FTE Staff Years	0.5	0.5	0.5	0.5	0.5
<b>Account</b>					
General Fund-State 001-1	427,000	243,000	670,000	1,019,000	1,176,000
<b>Total \$</b>	427,000	243,000	670,000	1,019,000	1,176,000

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: Josh Hinman	Phone: 3607867281	Date: 02/15/2023
Agency Preparation: Kevin Keogh	Phone: 360-628-2652	Date: 02/17/2023
Agency Approval: James Smith	Phone: 360-764-9492	Date: 02/17/2023
OFM Review: Carly Kujath	Phone: (360) 790-7909	Date: 02/22/2023

## 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 SSB 5591 to SB 5591

Changes from this substitute do not change the financial impact.

Section 2(1)(c) has been adjusted so that the department has one month rather than two weeks to make the first deposit into a child's account.

Section 2(1)(e) has been changed to indicate that the program will not be fully operational until July 1, 2027 rather than January 1, 2024. The phase-ins for the various counties, outlined in subsubsections 2(1)(e)(i-iv), remain the same. This makes the language consistent across this section but does not change agency assumptions, since a phase-in was presumed from subsubsections 2(1)(e)(i-iv).

Section 2(2)(a) has been adjusted to indicate that the required advisory committee is acting in an advisory role to the department rather than directly working on the implementation plan, data gathering, reporting, and partnerships with financial institutions.

---

This bill relates to providing dependent youth with financial education and support, and amends and adds new sections to existing laws.

Section 2 requires the Department of Children, Youth, and Families (DCYF) to develop a program to provide eligible youth with the ability to establish a private self-controlled account with a financial institution, deposit \$25.00 per month into the account, create an online platform to share information on how to open a bank account, provide financial literacy, track progress and conduct a survey on the effectiveness of the program, and write a report to the Governor and the appropriate committees of the Legislature.

Section 2(1)(e) requires that the program be operational by January 1, 2027 date, to be phased in beginning with Spokane and Pierce Counties, followed by the remaining counties in regions 1 and 5 over the 2024-2025 fiscal year, regions 2 and 6 over the 2025-2026 fiscal year, and regions 3 and 4 over the 2026-2027 fiscal year.

Section 2(1)(g) defines eligible youth as dependent youth ages 14 and up, including youth in extended foster care, and remains eligible to open an account with the financial support of the department until the dependency proceeding is dismissed.

Section 2(2)(a) This section requires DCYF to convene a temporary advisory committee help develop the implementation plan of the program.

### 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.

Total costs are INDETERMINATE.

DCYF is unable to fully estimate total costs for this bill as written due to uncertainties around assumptions of uptake by children and youth for the bank accounts. The costs listed below are modeled on the assumption that all eligible youth engage and sign up for services; these costs are provided for illustrative purpose as it not known when or how many eligible youth will participate.

## Section 2

Payment calculations are based on DCYF dependent youth and children only. This excludes Tribal dependent youth (DCYF does not have access to data for this group). Data on DCYF dependent children and youth were retrieved from FamLink.

### Program Rollout Timeline:

Fiscal Year 23-24: There will be 400 eligible DCYF youth/children.  $400 \times \$25 \times 12 = \$120,000.00$

Fiscal Year 24-25: There will be 601 eligible DCYF youth/children.  $601 \times \$25 \times 12 = \$180,300.00$

Fiscal Year 25-26: There will be 1226 eligible DCYF youth/children.  $1226 \times \$25 \times 12 = \$367,800.00$

Fiscal Year 26-27: There will be 1750 eligible DCYF youth/children.  $1750 \times \$25 \times 12 = \$525,000.00$

### Platform/Portal Development and Maintenance:

DCYF currently has a contract with a vendor to develop and maintain a platform/portal for the Education and Training Voucher (ETV) program. DCYF assumes a similar cost estimate to develop and maintain a platform/portal for this bill.

Portal Development: \$116,000

Portal Maintenance: \$100,000

Total Cost: \$216,000

Stipends Payments to Lived Expert. DCYF assumes four lived experts will be part of the Advisory Committee based on the categories of the committee's makeup outlined in section 2(a). DCYF assumes two members of each group, with the current or former foster youth and caregivers (including kinship caregivers) categories being eligible for lived experts stipend payments: DCYF estimates 3 in-person and 9 virtual meetings for the Advisory Committee. Lived expert's stipend payment is estimated below:

In-Person Meetings (3 times):  $3 \times \$1,667 = \$5,001$

Virtual Meetings (9 times):  $9 \times \$1,999 = \$17,991$

Total Cost of Meetings \$22,992

0.5 Full-Time Equivalent (FTE) – Estimated total cost is \$130,000.00 (\$67,000 for FY24, \$63,000 for FY25)

-- 0.5 Management Analyst 5 (MA-5)

DCYF will need 0.5 of an MA-5 to manage the various contracts with third parties, setup, organize, and manage meetings of the advisory committee, and also work on various reports required by the bill to be presented to the Governor and the Legislature.

Survey Costs: INDETERMINATE.

DCYF is unable to estimate total cost to conduct a survey on the effectiveness of the program at this moment due to the fact that it not known how many eligible youths will participate and is thus unable to determine an appropriate survey sample size. DCYF may be able to contract out the survey but can not estimate what the contract cost will be.

Contracts Admin Costs: INDETERMINATE.

DCYF is unable to estimate the total administrative costs from contractors to administer all the contracts related to implementing this bill. It could be 10% of total cost or higher.

### 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	427,000	243,000	670,000	1,019,000	1,176,000
<b>Total \$</b>			427,000	243,000	670,000	1,019,000	1,176,000

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	0.5	0.5	0.5	0.5	0.5
A-Salaries and Wages	46,000	46,000	92,000	92,000	92,000
B-Employee Benefits	15,000	15,000	30,000	30,000	30,000
C-Professional Service Contracts	240,000		240,000		
E-Goods and Other Services	1,000	1,000	2,000	2,000	2,000
G-Travel	1,000	1,000	2,000	2,000	2,000
J-Capital Outlays	4,000		4,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	120,000	180,000	300,000	893,000	1,050,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	427,000	243,000	670,000	1,019,000	1,176,000

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 5	91,525	0.5	0.5	0.5	0.5	0.5
<b>Total FTEs</b>		0.5	0.5	0.5	0.5	0.5

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

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Program Support (090)	427,000	243,000	670,000	1,019,000	1,176,000
<b>Total \$</b>	427,000	243,000	670,000	1,019,000	1,176,000

### 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.*