

Multiple Agency Fiscal Note Summary

Bill Number: 1652 HB	Title: Child support pass through
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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
Department of Social and Health Services	0	0	1,745,000	0	0	2,010,000	0	0	1,888,000
Total \$	0	0	1,745,000	0	0	2,010,000	0	0	1,888,000

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
Department of Social and Health Services	2.4	12,584,000	12,584,000	14,329,000	1.4	29,230,000	29,230,000	31,240,000	1.4	29,830,000	29,830,000	31,718,000
Department of Children, Youth, and Families	.0	892,000	892,000	892,000	.0	3,294,000	3,294,000	3,294,000	.0	3,294,000	3,294,000	3,294,000
Total \$	2.4	13,476,000	13,476,000	15,221,000	1.4	32,524,000	32,524,000	34,534,000	1.4	33,124,000	33,124,000	35,012,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Department of Children, Youth, and Families	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Anna Minor, OFM	Phone: (360) 790-2951	Date Published: Revised 2/22/2023
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Individual State Agency Fiscal Note

Bill Number: 1652 HB	Title: Child support pass through	Agency: 300-Department of Social and Health Services
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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	507,000	1,238,000	1,745,000	2,010,000	1,888,000
Total \$	507,000	1,238,000	1,745,000	2,010,000	1,888,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.6	1.1	2.4	1.4	1.4
Account					
General Fund-State 001-1	486,000	12,098,000	12,584,000	29,230,000	29,830,000
General Fund-Federal 001-2	507,000	1,238,000	1,745,000	2,010,000	1,888,000
Total \$	993,000	13,336,000	14,329,000	31,240,000	31,718,000

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: Yelena Baker	Phone: 360-786-7301	Date: 01/29/2023
Agency Preparation: Seth Nathan	Phone: 360-902-0001	Date: 02/22/2023
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 02/22/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	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.

HB 1652 relates to child support pass through, and takes effect July 1, 2024.

Section 1 directs the Department of Social and Health Services (DSHS) Economic Services Administration (ESA) Division of Child Support (DCS) to pass through all child support collected each month, both current and arrears, to families currently receiving Temporary Assistance for Needy Families (TANF) assistance. Individuals no longer receiving TANF will not receive pass-through payments.

Section 2 directs the department to disregard and not count as income any amount of current child support or child support arrears passed through to applicants or recipients in determining eligibility for and the amount of TANF or WorkFirst assistance.

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.

Cash receipts anticipated. Federal dollars earned are estimated to be:

- \$507,000 in FY 2024
 - 001-A Family Support: \$390,000
 - 001-C Medicaid: \$24,000
 - 001-2 Other: \$93,000

- \$1,238,000 in FY 2025
 - 001-A Family Support: \$1,190,000
 - 001-C Medicaid: \$5,000
 - 001-2 Other: \$43,000

- \$1,066,000 in FY 2026
 - 001-A Family Support: \$1,013,000
 - 001-C Medicaid: \$4,000
 - 001-2 Other: \$49,000

- \$944,000 in FY 2027 and beyond
 - 001-A Family Support: \$886,000
 - 001-C Medicaid: \$4,000
 - 001-2 Other: \$54,000

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.

ESA anticipates increased child support pass-through costs each year in Fiscal Year (FY) 2025 and beyond. Pass-through costs are calculated to include both current support and arrears, as required by the bill. The administration's February 2023 (Feb23) TANF forecast was used to estimate costs that would both a) not be retained in child support recoveries, and b) not be recovered when a payment is removed from a case. Estimates in this fiscal note are only applicable for current TANF custodial parents.

ESA also anticipates additional resources will be needed in FY 2024 and beyond to accommodate the increased workload associated with the implementation of this bill, including staff costs and translation, printing, and mailing costs. Increased workload is associated with program administration, informational mass mailings, responding to detailed questions from pass-through recipients, and processing administrative hearing requests.

Resources previously provided for implementing child support pass-through payments in SB 5144 during the 2019 legislative session, based on estimated caseload and workload at that time, were removed from the estimates calculated for this fiscal note, in order to represent the incremental increase in resources required to implement this bill.

To estimate impacts associated with workload increases, TANF caseloads used for SB 5144 were subtracted from those provided in the ESA Feb23 forecast, and then TANF cases terminated due to child support exceeding the income threshold were added into the projected caseload. ESA calculates caseload impacts to be:

- FY 2025 and beyond

- Feb23 forecast: 29,833 cases per month
- SB 5144 caseload (subtracted): 24,364 cases per month
- Cases terminated (added): 53 cases per month
- Net increase: 5,522 cases per month

To estimate impacts associated with terminated cases assumed to reenter the TANF caseload, the ESA November 2022 (Nov22) forecast was used to calculate cumulative monthly caseload increases. Fiscal impact estimates using the Nov22 forecast will be updated with Feb23 forecast. ESA calculates caseload impacts to be:

- FY 2025: 266 average cases per month
- FY 2026: 525 average cases per month
- FY 2027 and beyond: 621 average cases per month

The adult portion of TANF cases reentering the caseload will also be eligible for the WorkFirst Services program.

Staff costs were calculated by multiplying the estimated amount of time needed to complete each required work component by forecasted caseloads, and dividing by standard working hours to convert to FTE by staff position. Printing costs for informational mass mailings were calculated by multiplying forecasted caseload by a standard cost of \$0.79 per letter.

DSHS Technology Innovation Administration (TIA) anticipates additional resources will be needed to implement automation solutions required by this bill to the Automated Client Eligibility System (ACES) and Barcode systems, including staff costs and IT contractor costs.

Assuming a July 1, 2024 effective date, ESA estimates the following costs:

- FY 2024: \$993,000 and 3.6 FTE

- \$632,000 and 3.5 FTE TIA implementation costs
- \$349,000 IT contractor costs
- \$12,000 and 0.1 FTE ESA staff costs

- FY 2025: \$13,336,000 and 1.1 FTE

- \$10,155,000 child support pass-through costs
- \$1,802,000 TANF costs

- \$1,173,000 WorkFirst Services costs
- \$152,000 and 1.1 FTE ESA staff costs
- \$54,000 translation, printing, and mailing costs

- FY 2026: \$15,381,000 and 1.3 FTE
 - \$9,350,000 child support pass-through costs
 - \$3,555,000 TANF costs
 - \$2,317,000 WorkFirst Services costs
 - \$159,000 and 1.3 FTE ESA staff costs

- FY 2027 and beyond: \$15,859,000 and 1.4 FTE
 - \$8,750,000 child support pass-through costs
 - \$4,200,000 TANF costs
 - \$2,738,000 WorkFirst Services costs
 - \$171,000 and 1.4 FTE ESA staff costs

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	486,000	12,098,000	12,584,000	29,230,000	29,830,000
001-2	General Fund	Federal	507,000	1,238,000	1,745,000	2,010,000	1,888,000
Total \$			993,000	13,336,000	14,329,000	31,240,000	31,718,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.6	1.1	2.4	1.4	1.4
A-Salaries and Wages	380,000	73,000	453,000	178,000	188,000
B-Employee Benefits	165,000	58,000	223,000	116,000	118,000
C-Professional Service Contracts	349,000		349,000		
E-Goods and Other Services	43,000	2,591,000	2,634,000	10,894,000	11,798,000
G-Travel					
J-Capital Outlays	42,000	5,000	47,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		10,605,000	10,605,000	20,039,000	19,600,000
P-Debt Service	1,000		1,000		
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	10,000	3,000	13,000	9,000	10,000
9-TZ-ISSD	3,000	1,000	4,000	4,000	4,000
Total \$	993,000	13,336,000	14,329,000	31,240,000	31,718,000

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
CHILD SUPPORT PROGRAM ADMINISTRATOR	87,139	0.1		0.1		
IT APP DEVELOPMENT - SENIOR SPECIALIST	118,721	0.8		0.4		
IT BUSINESS ANALYST - JOURNE	102,540	0.9		0.5		
IT BUSINESS ANALYST - SENIOR SPECIALIST	113,059	0.2		0.1		
IT BUSINESS ANALYST - SENIOR IT MANAGER	130,863	0.1		0.1		
IT PROJECT MANAGEMENT - SENIOR IT MANAGER	137,430	0.6		0.3		
IT QUALITY ASSURANCE - JOURNEY	102,540	0.7		0.4		
IT QUALITY ASSURANCE - SENIOR / SPECIALIST	113,059	0.1		0.1		
IT SECURITY - SENIOR / SPECIALIST	118,721	0.1		0.1		
PUBLIC BENEFITS SPECIALIST 3	63,214		0.7	0.4	0.9	0.9
SUPPORT ENFORCEMENT OFFICER 2	69,756		0.2	0.1		
WORKFIRST PROGRAM SPECIALIST	64,787		0.2	0.1	0.5	0.5
Total FTEs		3.6	1.1	2.4	1.4	1.4

III. D - Expenditures By Program (optional)

NONE

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.

Changes to DCS and DSHS ESA Community Services Division (CSD) rules will be required.

Individual State Agency Fiscal Note

Revised

Bill Number: 1652 HB	Title: Child support pass through	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	0	892,000	892,000	3,294,000	3,294,000
Total \$	0	892,000	892,000	3,294,000	3,294,000

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: Yelena Baker	Phone: 360-786-7301	Date: 01/29/2023
Agency Preparation: Melissa Jones	Phone: (360) 688-0134	Date: 02/21/2023
Agency Approval: Crystal Lester	Phone: 360-628-3960	Date: 02/21/2023
OFM Review: Carly Kujath	Phone: (360) 790-7909	Date: 02/21/2023

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.

This bill requires the Department of Social and Health Services to pass through child support and child support arrears to families receiving Temporary Assistance for Needy Families (TANF), beginning July 1, 2024. (Current law requires that DSHS pass through \$50 per month for a family with one child and up to \$100 per month for a family with two or more children.)

Section 2 is a new section that disregards child support payments as income in determining eligibility for TANF and for determining the amount of assistance that a family qualifies for.

Section 3 is a new section establishing an effective date of July 1, 2024.

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.

Section 2

Total costs are \$892,000 in FY25. Beginning in FY26, when full caseload is reached, DCYF estimates ongoing annual costs of \$1,647,000.

According to DSHS data from January 2023, the anticipated increase in TANF caseload under this section is the assumed increase of 63.6 cases annually.

DCYF assumes that 10% of families will participate in Working Connections Child Care (WCCC). Economic Services Administration (ESA) assumed 53 cases will be terminated a month for excess child support payments and back into TANF caseload. Based on ESA assumptions, WCCC would expect 63.6 new cases annually ($53 \times 10\% = 5.3$ new cases per month $\times 12 = 63.6$ annual).

DCYF assumes that it will take twelve months to reach the full case load, which will lead to 54% of the caseload or 34.5 cases in FY25, and full caseload of 63.6 in FY26.

DCYF assumes a monthly per cap cost of \$2,158.23. The total assumed cost for FY25 is \$892,000 (34.5 cases \times \$2,158.23 \times 12-month eligibility), and for FY26 is \$1,647,000 (63.6 cases \times \$2,158.23 \times 12-month eligibility).

Assumption:

Approximately 10% of TANF cases currently participate in subsidy, this same 10% is applied to the new WCCC estimated cases.

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	0	892,000	892,000	3,294,000	3,294,000
Total \$			0	892,000	892,000	3,294,000	3,294,000

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		892,000	892,000	3,294,000	3,294,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	892,000	892,000	3,294,000	3,294,000

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)		892,000	892,000	3,294,000	3,294,000
Total \$		892,000	892,000	3,294,000	3,294,000

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

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.