

Multiple Agency Fiscal Note Summary

Bill Number: 5225 2S SB	Title: Working conn. child care
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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
Office of Administrative Hearings	0	0	80,000	0	0	80,000	0	0	80,000
Department of Children, Youth, and Families	0	0	7,000	0	0	8,000	0	0	6,000
Total \$	0	0	87,000	0	0	88,000	0	0	86,000

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
Office of Administrative Hearings	.2	0	0	80,000	.2	0	0	80,000	.2	0	0	80,000
Department of Children, Youth, and Families	1.8	12,082,000	12,082,000	12,089,000	2.2	15,732,000	15,732,000	15,740,000	1.7	15,628,000	15,628,000	15,634,000
Department of Children, Youth, and Families	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Total \$	2.0	12,082,000	12,082,000	12,169,000	2.4	15,732,000	15,732,000	15,820,000	1.9	15,628,000	15,628,000	15,714,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Administrative Hearings	.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: Carly Kujath, OFM	Phone: (360) 790-7909	Date Published: Final 4/ 3/2023
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Individual State Agency Fiscal Note

Bill Number: 5225 2S SB	Title: Working conn. child care	Agency: 110-Office of Administrative Hearings
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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
Administrative Hearings Revolving Account-State 484-1	40,000	40,000	80,000	80,000	80,000
Total \$	40,000	40,000	80,000	80,000	80,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
Account					
Administrative Hearings Revolving Account-State 484-1	40,000	40,000	80,000	80,000	80,000
Total \$	40,000	40,000	80,000	80,000	80,000

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: Josh Hinman	Phone: 3607867281	Date: 02/24/2023
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 02/24/2023
Agency Approval: Deborah Feinstein	Phone: 360-407-2717	Date: 02/24/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/25/2023

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.

Section 1 addresses a need for expanding access to Working Connections Child Care (WCCC) program for employees of child care centers and licensed family homes, non-federal eligible college students (immigrants) and children participating in therapeutic and specialist courts.

Section 2 includes eligibility requirements for employees of childcare centers and licensed family homes.

Section 3 addresses eligibility requirements for non-federal eligible college students (immigrants) and children participating in therapeutic and specialist courts.

Section 4 identifies the eligibility effective dates and copayment charts.

Section 5 defines childcare provider requirements.

Work activities associated with the enactment of this bill will begin on 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.

As a central service agency, the Office of Administrative Hearings (OAH) bills referring agencies for its costs and collects the revenue into the Administrative Hearings Revolving Account. Cash receipts are assumed to equal costs. OAH will bill the Department of Children, Youth, and Families for the costs related to this proposed legislation.

These cash receipts represent the OAH's authority to bill and are not a direct appropriation to OAH. Appropriation authority is necessary in OAH's budget.

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 that the proposed legislation will result in 20 new appeals being referred to the Office of Administrative Hearings (OAH) per fiscal year beginning in FY 2024. On average, each appeal is expected to take approximately 20 hours of line Administrative Law Judge (ALJ) time including prehearing conferences, hearings, order writings, etc.

OAH Agency Workforce Assumptions:

- (1) The Governors proposed COLA increases in FY2024 and FY2025, and Collective Bargaining Agreement increases are not included in agency cost projections. Additional funding is required if these proposals are enacted.
- (2) Ratio of 1.0 FTE line ALJ to 0.15 Senior ALJ (SALJ), to 0.6 Legal Assistant 2 (LA2) (Range 40 step L), to 0.25 administrative support Management Analyst 5 (MA5) (Range 64 Step L).
- (3) ALJ salary is based on the ALJ collective bargaining agreement and assumed to be at step L. (Line ALJ-range 70. Senior ALJ-range 74.)
- (4) Benefit rates were analyzed by job class and projected using the latest benefit information available.
- (5) Goods and services, travel and on-going capital outlays were projected based on historical data for each of the job classifications.

Total workload impact beginning in FY 2024: 0.14 ALJ at a cost of \$23,267; 0.02 SALJ at a cost of \$3,763; 0.08 LA2 at a cost of \$8,393; and 0.04 MA5 at a cost of \$5,188. The total cost is rounded to \$40,000 per FY.

Legal services associated with the enactment of this bill will begin on October 1, 2023.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
484-1	Administrative Hearings Revolving Account	State	40,000	40,000	80,000	80,000	80,000
Total \$			40,000	40,000	80,000	80,000	80,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
A-Salaries and Wages	25,000	25,000	50,000	50,000	50,000
B-Employee Benefits	8,000	8,000	16,000	16,000	16,000
C-Professional Service Contracts					
E-Goods and Other Services	7,000	7,000	14,000	14,000	14,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	40,000	40,000	80,000	80,000	80,000

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
Administrative Law Judge	106,152	0.1	0.1	0.1	0.1	0.1
Legal Assistant 2	50,592	0.1	0.1	0.1	0.1	0.1
Total FTEs		0.2	0.2	0.2	0.2	0.2

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Children and Family Care (CFC)	40,000	40,000	80,000	80,000	80,000
Total \$	40,000	40,000	80,000	80,000	80,000

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.

Individual State Agency Fiscal Note

Bill Number: 5225 2S 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	3,000	4,000	7,000	8,000	6,000
Total \$	3,000	4,000	7,000	8,000	6,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.4	2.2	1.8	2.2	1.7
Account					
General Fund-State 001-1	2,900,000	9,182,000	12,082,000	15,732,000	15,628,000
General Fund-Federal 001-2	3,000	4,000	7,000	8,000	6,000
Total \$	2,903,000	9,186,000	12,089,000	15,740,000	15,634,000

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: 02/24/2023
Agency Preparation: Ashley McEntyre	Phone: 2533064501	Date: 03/31/2023
Agency Approval: Sarah Emmans	Phone: 360-628-1524	Date: 03/31/2023
OFM Review: Carly Kujath	Phone: (360) 790-7909	Date: 04/03/2023

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 of 2SSB 5225 and SSB 5225

Section 3(3)(a)(i)(D) of the second substitute is amended to expand eligibility for Working Connections Child Care (WCCC) to also include victims in a case in a specialty court or therapeutic court.

2SSB 5225

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(3)(a)(i)(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 or who is a listed victim in a case 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 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 \$7,000. (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 \$12,089,000 (\$12,082,000 GF-S) and 1.8 Full Time Equivalent Staff (FTEs) in the 23-25 Biennium.

Section 2(1)

Total Costs are \$796,000 in FY 24, \$2,222,000 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 child care centers and licensed family homes (excluding owners) who are at or below 85% State Median Income (SMI), 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: \$671,800 in FY24 and \$2,167,200 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 child care employees in Washington State based on DCYF employee data for centers and homes, per MERIT (where employment is verified in compliance with WAC 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 47% will have children. DCYF further assumes a 15% uptake, based on the average uptake rate for families eligible for WCCC. Of these 1,735 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 (\$2,025.85) 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 \$2,075.8.

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 February, 2024. This leads to 31% of the caseload increase achieved in FY24 and full caseload achieved in FY25. The annual cost in FY 24 is \$671,800 (87 cases X \$2,075.85 X 12-month eligibility X 31% ramp up). The annual cost in FY25 is \$ 2,167,200 (87 cases X \$2,075.85 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 indeterminate.

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

DCYF is unable to determine the number of participants or number of dockets in specialty and therapeutic courts throughout the state. The expected annual cost for both defendants and victims referred via court proceedings will be \$24,310.20 (\$2,025.85 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 \$2,094,000 in FY 24, \$6,964,000 in FY25 and 1.70 FTEs – this will include any costs associated with the below and all costs in the model that include the standard FTE costs.

1.70 FTE’s:

- 0.50 Public Benefit Specialist 3 (PBS3) beginning FY24
- 1.20 Public Benefit Specialist 3 (PBS3) beginning FY25

This section of the bill expands eligibility to children of student parents who are not federally eligible for WCCC due to immigration status.

CLIENT SERVICES: \$1,997,000 in FY24 and \$6,766,000 in FY25.

DCYF anticipates an average monthly WCCC caseload of 26,520 in FY24 and 28,368 in FY25 based on the average caseload estimates in the February 2023 Caseload Forecast. DCYF assumes that the total population of newly eligible families who were previously unauthorized due to immigration status will increase caseloads by 1%, based on the estimated number of undocumented children of WCCC eligibility age divided by the total Washington population of children of WCCC eligibility age. Given this assumption (26,520 WCCC cases X 1% in FY24 and 28,368 cases X 1% in FY25), DCYF anticipates adding 265 new families per year in FY24 and 284 new families per year in FY25.

DCYF assumes a twelve month ramp up from the first month of implementation February of FY24 which will result in 31% of the new annual caseload achieved in FY24 and 98% of the new annual caseload achieved in FY25. The annual cost in FY 24 is \$1,997,000 (265 X \$2,025.85 X 12-month eligibility X 31% ramp up). The annual cost in FY25 is \$6,766,000 (284 cases X \$2,025.85 X 12-month eligibility X 98% ramp up).

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	2,900,000	9,182,000	12,082,000	15,732,000	15,628,000
001-2	General Fund	Federal	3,000	4,000	7,000	8,000	6,000
Total \$			2,903,000	9,186,000	12,089,000	15,740,000	15,634,000

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	1.4	2.2	1.8	2.2	1.7
A-Salaries and Wages	95,000	135,000	230,000	270,000	208,000
B-Employee Benefits	36,000	53,000	89,000	108,000	84,000
C-Professional Service Contracts	63,000	11,000	74,000	22,000	22,000
E-Goods and Other Services	2,000	4,000	6,000	8,000	6,000
G-Travel	4,000	5,000	9,000	10,000	8,000
J-Capital Outlays	10,000	10,000	20,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	2,669,000	8,933,000	11,602,000	15,252,000	15,252,000
P-Debt Service					
S-Interagency Reimbursements	24,000	35,000	59,000	70,000	54,000
T-Intra-Agency Reimbursements					
9-					
Total \$	2,903,000	9,186,000	12,089,000	15,740,000	15,634,000

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
Admin Regulatory Analyst 4	85,020	0.5		0.3		
Public Benefit Specialist 3	61,628	0.9	2.2	1.6	2.2	1.7
Total FTEs		1.4	2.2	1.8	2.2	1.7

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Early Learning (030)	2,879,000	9,151,000	12,030,000	15,670,000	15,580,000
Program Support (090)	24,000	35,000	59,000	70,000	54,000
Total \$	2,903,000	9,186,000	12,089,000	15,740,000	15,634,000

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.

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, participants and victims in specialty or therapeutic courts, and children who are not federally eligible due to immigration status. The fiscal impact associated with the necessary rulemaking are factored into the FTE assumptions for this fiscal note.