

Individual State Agency Fiscal Note

Bill Number: 2342 HB	Title: Dependent youth financial ed	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:

Non-zero but indeterminate cost 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.

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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.

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, 2024, 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.

No cash receipt impact.

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 intake 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 is not known when or how many eligible youths will participate. The changes in Section 2 of the bill that require the program to be fully operational by July 1, 2027, rather than fully operational by January 1, 2024, do not change agency assumptions, since the phase-in is not changed.

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: \$116,000.00

Portal Maintenance: \$100,000.00

Total Cost: \$216,000.00

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 expert's 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): $3 \times \$1,667 = \$5,000$

Virtual Meetings (9 times): $9 \times \$1,999 = \$18,000$

Total Cost of Meetings \$23,000.

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 cannot 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

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

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)

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.