

Individual State Agency Fiscal Note

Revised

Bill Number: 5870 SB	Title: Early learning 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		12,000	12,000	54,000	68,000
Total \$		12,000	12,000	54,000	68,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	4.7	2.4	9.9	12.4
Account					
General Fund-State 001-1	0	8,910,000	8,910,000	87,224,000	148,098,000
General Fund-Federal 001-2	0	11,000	11,000	52,000	66,000
Total \$	0	8,921,000	8,921,000	87,276,000	148,164,000

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.

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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.

Section 1 is a new section and outlines the intent of the bill. The intent is to increase access to early education programs by expanding and streamlining eligibility for early learning programs.

Section 2 is a new section added to RCW 43.216. As such, references to, 'the department,' refer to DCYF (Department of Children, Youth and Families).

Section 2 (1) states DCYF shall implement policies in Working Connections Child Care (WCCC) to allow categorical eligibility for families with children participating in Early Education and Assistance Programs (ECEAP), Birth To Three, Head Start, and Early Head Start.

Section 2 (2) states these families will have no copayment, unless this is against federal law, then the maximum copay would be \$15.

Section 3 amends RCW 43.216.1364. (1)(b) to increase income eligibility to 85% SMI for employees of unlicensed ECEAP, Early ECEAP, and Head Start families. This group also will have "0" copayment. This also changes the copayment to "0" for those employees eligible under current rules.

Section 4(4)(b) amends RCW 43.216.505 to expand the definition of, "eligible child," for ECEAP to include a person in the household receiving or eligible for basic food assistance.

Section 5(4)(b) amends RCW 43.216.505 to expand the definition of, "eligible child," for ECEAP to include a person in the household receiving or eligible for basic food assistance.

Section 6(1) amends RCW 43.216.578 replacing language identifying the specific funding source for the Birth to Three ECEAP program and replaces it with a generalized 'Subject to the availability of amounts appropriated for this specific purpose'.

Section 6(5) replaces eligibility criteria language for the Birth To Three program, which is subject to appropriation. The child must be under 36 months old. The income limit of 130% Federal Poverty Level (FPL) is replaced with 50% State Medium Income (SMI). Eligibility is expanded to those families receiving basic food benefits, experiencing homelessness, participating in ESIT, receiving class C developmental services, or is Indian and has income at or below 100% SMI. Identifies a priority hierarchy for services.

Section 7(4) replaces eligibility criteria language for the Birth To Three program. The child must be under 36 months old. The income limit of 130% FPL is replaced with 50% SMI. Eligibility is expanded to those families receiving basic food benefits, experiencing homelessness, participating in ESIT, receiving class C developmental services, or is Indian and has income at or below 100% SMI. Identifies a priority hierarchy for services.

Section 8(7) amends RCW 43.216.1368 that a household member receiving basic food benefits is to be considered income eligible for WCCC.

Section 9 has sections 4 and 6 expire July 1, 2026.

Section 10 has sections 5 and 7 take effect 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 XIX , the federal reimbursement is 13 percent. The agency estimates eligible reimbursements of \$11,000 for FY25.
(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 (DCYF) estimates the costs to be:

\$8,921,000 (\$8,910,000 GF-S) and 4.7 FTEs for FY25

\$13,158,000 and 7.4 FTE for FY26

\$74,118,000 and 12.4 FTE for FY27

\$74,082,000 and 12.4 FTE for FY28 annually ongoing

Section 2

Total Costs for this section are

\$6,975,000 and 2.2 FTE for FY25

\$11,136,000 and 2.2 FTE for FY26

\$12,316,000 and 2.2 FTE for FY27 annually ongoing

These include any costs associated with the below and all costs in the model that include the standard FTE costs.

This section adds ECEAP and Head Start participating families as categorically eligible for WCCC. ECEAP programs include ECEAP, Early ECEAP and Tribal ECEAP. Head Start programs include Head Start, Early Head Start and Tribal Head Start.

Assumptions

- 5% percent of children participating in ECEAP participate in WCCC.
- 15 % of ECEAP and HS cases are denied at reapplication due to no approved activity.
- \$2,137.50 monthly per cap (\$2,072.50 + \$65 copayment).
- DCYF assumes a 12-month eligibility period for WCCC.
- DCYF assumes a 12-month roll up of 54% for the first year.

--ECEAP

FY25 - DCYF assumes a cost of \$2,374,000 based on 17,278 ECEAP slots in FY25.

(17,278 slots x 5% participate in WCCC = 864 cases x 15% denied = 130 additional cases)

(130 cases x per cap \$2,137.50 x 12 months = \$3,334,500 x 54% ramp up = \$1,800,630 for FY25).

There are currently 735 eligible families making a copayment. DCYF assumes a cost of \$573,300 (735 families x \$65 copayment x 12 months) annually ongoing to waive current copayments.

(\$1,800,630 WCCC additional eligible families + \$573,300 current eligible copayments waived = \$2,373,930).

FY26 - DCYF assumes a cost of 3,985,000 based on 17,778 ECEAP slots in FY26.

(17,778 slots x 5% participate in WCCC = 889 cases x 15% denied = 133 cases)

(133 cases x per cap \$2,137.50 x 12 months = 3,411,450)

(\$3,411,450 WCCC additional eligible families + \$573,300 current eligible copayments waived = \$3,984,750).

FY27 - DCYF assumes a cost of \$5,165,000 based on 23,800 ECEAP caseload as provided in the Courtesy Forecast Council. (23,800 slots x 5% participate in WCCC = 1,190 cases x 15% denied = 179 cases)

(179 cases x per cap \$2,137.50 x 12 months = 4,591,350)

(\$4,591,350 WCCC additional eligible families + \$573,300 current eligible copayments waived = \$5,164,650).

--HEAD START

DCYF assumes a cost of \$4,128,000 for FY25 and \$6,795,000 FY26 annually ongoing based on 1,505 Head Start slots in FY25.

(1,505 slots x 15% denied = 226 additional cases).

(226 cases x per cap \$2,137.50 x 12 months = \$5,796,900 x 54% ramp up = \$3,130,326 for FY25).

There are currently 1,279 eligible families making a copayment. DCYF assumes a cost of \$997,620 (1,279 families x \$65 copayment x 12 months) annually ongoing to waive current copayments.

(\$3,130,326 WCCC additional eligible families + \$997,620 = \$4,127,946 – FY25)

(\$5,796,900 WCCC additional eligible families + \$997,620 = \$6,794,520 – FY26)

--STAFF COSTS

Total staff costs are \$273,000 for FY25.

2.2 FTE – Public Benefits Specialist (PBS3) to assist eligible families in the application and enrollment process for WCCC and provide training to other staff.

--PROFESSIONAL SERVICE CONTRACTS:

- \$100,000 one-time contract in FY25 for Subsidy outreach and advertising services to support expanded eligibility.

- \$100,000 contract in FY25, FY26, FY27 for ECEAP outreach and advertising services to support expanded eligibility until entitlement in the 2026-27 school year.

Section 3

Total Costs are \$1,946,000 and 2.5 FTE for FY25.

This section adds eligibility for WCCC for ECEAP and Head Start staff up to 85% SMI.

Assumptions

DCYF assumes 12.5% of the population with income between 60% and 85% SMI.

DCYF assumes 30% of the population with income below 60% SMI.

DCYF assumes 5% of the population with income between 75% and 85% SMI.

DCYF assumes 35.75% of the population with income below 75% SMI.

DCYF further assumes that 45% of households have minor children.

DCYF assumes an uptake of 40%.

DCYF assumes a ramp up of 54% in FY25.

DCYF assumes a monthly cost per family of \$2,137.50 (\$2072.50 for WCCC plus a \$65.00 average copay that is waived).

DCYF data shows there are 2099 staff assigned to 782 classrooms in 261 ECEAP sites that are not licensed childcare facilities.

--WCCC costs for ECEAP staff

FY25 is estimated to cost \$739,000.

Current income eligibility for WCCC is below 60% of the SMI.

DCYF assumes 47 additional families in fiscal year 2025 will be eligible for WCCC subsidies. (2099 total staff x 45% families with minor children x 12.5% in the expanded income range x 40% uptake) The annual cost of additional families will be \$1,205,550 (47 families x \$2,137.50 per family per month x 12 months per year). DCYF assumes a 12 month ramp up in year 1 for additional families to WCCC is an estimated cost in FY25 of \$650,997 (\$1,205,550 x 54%).

This also leads to 113 additional families below the 60% SMI will qualify to have copayments waived. (2099 total staff x 45% families with minor children x 30% below 60% SMI income range x 40% uptake). DCYF assumes estimated cost of

\$88,140 to waive annual copayments for FY25. (113 families x \$65 copayment x 12 months)

FY26 and ongoing is estimated to cost \$598,000 annually.

Beginning July 1, 2025, income eligibility is below 75% of the SMI.

DCYF assumes 19 additional families in fiscal year 2026 and ongoing annually will be eligible for WCCC subsidies. (2099 total staff x 45% families with minor children x 5% in the expanded income range x 40% uptake) The annual cost of additional families will be \$487,350 (19 families x \$2,137.50 per family per month x 12 months per year).

This also leads to 142 additional families below the 75% SMI will qualify to have copayments waived. (2099 total staff x 45% families with minor children x 37.5% below 75% SMI income range x 40% uptake). DCYF assumes estimated cost of \$110,760 to waive annual copayments annually ongoing. (142 families x \$65 copayment x 12 months)

--WCCC costs for Head Start staff
FY25 costs are \$849,000.

This leads to 54 additional families per year (2414 total staff x 45% families with minor children x 12.5% in the expanded income range x 40% uptake). The annual cost of additional families will be \$1,385,100 (54 families x \$2,137.50 per family per month x 12 months per year). DCYF assumes a 12 month ramp up in year 1 for additional families to WCCC is an estimated cost in FY25 to be \$747,954 (\$1,385,100 x 54%).

This also leads to 130 additional families below the 60% SMI will have copayments waived. (2414 total staff x 45% families with minor children x 30% below 60% SMI income range x 40% uptake). DCYF assumes an estimated cost of \$101,400 to waive annual copayments for FY25 (130 families x \$65 copayment x 12 months).

FY26 costs are \$691,000 annually ongoing.

Beginning July 1, 2025, income eligibility is below 75% of the SMI.

This leads to 22 additional families per year (2414 total staff x 45% families with minor children x 5% in the expanded income range x 40% uptake). The annual cost of additional families will be \$564,300 (22 families x \$2,137.50 per family per month x 12 months per year).

This also leads to 163 additional families below the 75% SMI will have copayments waived. (2414 total staff x 45% families with minor children x 30% below 75% SMI income range x 40% uptake). DCYF assumes an estimated cost of \$127,140 to waive annual copayments for FY25 (163 families x \$65 copayment x 12 months).

--STAFF COSTS

Total staff costs are \$346,000 for FY25.

2.5 FTE

- 0.5 - Public Benefits Specialist (PBS3) to assist eligible families in the application and enrollment process for WCCC and provide training to other staff.
- 1.0 Management Analyst 5 (MA5) Navigator to verify eligible roles, which includes staff who are onsite working with or supporting children on a regular basis.
- 1.0 Commerce Specialist 3 (CS3) on the ECEAP data team to verify and problem solve data needs between ELMS and MERIT systems.

--PROFESSIONAL SERVICE CONTRACTS:

- \$12,161 onetime cost for IT development within Barcode.

Section 7

This section adds a qualifying factor for ECEAP, PreK and Early ECEAP eligibility to include households who receive federal SNAP and WA State Food Assistance to be eligible for ECEAP.

DCYF assumes no fiscal impact to the Early Childhood Education (ECEAP) Assistance Program until the 25-27 Biennium. ECEAP does not become an entitlement program until state fiscal year 2027. The below costs are assumed to begin in the 25-27 Biennium.

Total Costs \$439,000 General Fund State (GF-S) and 3.0 Full Time Equivalent (FTEs) in FY26 and \$60,219,000 GF-S and 5.0 FTEs in FY 2027.

8.0 FTEs

-3.0 Commerce Specialist 3's beginning FY26

-5.0 Commerce Specialist 3's beginning FY27

8.0 FTEs are needed to support capacity building and ECEAP slot management. DCYF assumes 1 Commerce Specialist 3 per 450 slots for a total of 8 FTEs. DCYF further assumes a \$247 per slot administrative rate. This rate provides funding to support 6.5 Commerce Specialist 3's; additional funding beyond the \$247 per slot administrative rate is needed to support 1.5 FTEs.

CLIENT SERVICES: \$59,072,000 in FY27 to expand eligibility to families eligible for or receiving basic food benefits. DCYF assumes 4,769 SNAP participants are not already eligible for ECEAP services. Based on ECEAP Courtesy Forecast Council (CFC) data, a 78% uptake rate is assumed, leading to 3,720 new cases. DCYF further assumes 85% of new cases, or 3,162, would enroll in School Day slots and 15%, or 558, would enroll in Working Day slots.

In addition to the costs above, there are INDETERMINATE costs.

In addition, RCW 43.216.775 specifies that ECEAP rates must be adjusted every two years with inflationary increases, subject to appropriation. FY27 rates are illustrative only and include inflationary adjustments for both FY26 and FY27, resulting in a 4% increase to rates, based on the September 2023 Washington Economic Forecast Summary U.S. Implicit Price Deflator. It is unknown what the rates will actually be in 2026.

The total assumed costs for School Day slots are \$49,134,000 in FY27 (\$14,893 current slot rate + \$647 inflationary increase X 3,162 School Day slots).

The total assumed costs for Working Day slots are \$12,504,000 in FY27 (\$21,478 current slot rate + \$933 inflationary increase X 558 Working Day slots).

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	8,910,000	8,910,000	87,224,000	148,098,000
001-2	General Fund	Federal	0	11,000	11,000	52,000	66,000
Total \$			0	8,921,000	8,921,000	87,276,000	148,164,000

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		4.7	2.4	9.9	12.4
A-Salaries and Wages		348,000	348,000	1,586,000	2,008,000
B-Employee Benefits		129,000	129,000	564,000	710,000
C-Professional Service Contracts		212,000	212,000	200,000	200,000
E-Goods and Other Services		9,000	9,000	35,000	44,000
G-Travel		11,000	11,000	46,000	58,000
J-Capital Outlays		34,000	34,000	58,000	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		8,090,000	8,090,000	84,390,000	144,642,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		88,000	88,000	397,000	502,000
9-					
Total \$	0	8,921,000	8,921,000	87,276,000	148,164,000

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
Commerce Specialist 3					5.5	8.0
Contracts Specialist 3			1.0	0.5	1.0	1.0
Management Analyst 3			1.0	0.5	1.0	1.0
Public Benefit Specialist 3			2.3	1.2	2.0	2.0
Public Benefit Specialist 4			0.2	0.1	0.2	0.2
Public Benefit Specialist 5			0.2	0.1	0.2	0.2
Total FTEs			4.7	2.4	9.9	12.4

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Early Childhood Education (030)		8,833,000	8,833,000	86,879,000	147,662,000
Program Support (090)		88,000	88,000	397,000	502,000
Total \$		8,921,000	8,921,000	87,276,000	148,164,000

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.

WCCC WAC:

The following WAC would require change: 110.10.0020, 110.10.0005, 110.10.0075, and 110.10.0045.

ECEAP WAC:

Sections 4 and 5: This would require an amendment to WAC 110-425-0080 and may require change to 110-425-0087.

Sections 6 and 7: This would require an amendment to WAC 110-425-0080.