

Substitute House Bill 2661 Fiscal Impact

PART II - ACCOUNTS AND OVERSIGHT

Section	Policy	FY 2021	FY 2022	FY 2023	Assumptions
201	Fair Start for Kids Account				
	(a) 55% child care access and affordability	\$ -	Indeterminate	Indeterminate	Dependent upon monies in account.
	(b) 35% child care supply and workforce	\$ -	Indeterminate	Indeterminate	Dependent upon monies in account.
	(c) 10% prenatal to age three	\$ -	Indeterminate	Indeterminate	Dependent upon monies in account.
	• Transfer 5% each quarter to Early Learning Facilities Fund	\$ -	Indeterminate	Indeterminate	Dependent upon monies in account.
	• Transfer \$10 million every two years to the Early Learning Health Care Expansion Account until a funding plan for all child care providers is adopted by the legislature.	\$ -	\$10 million transfer		\$10 million transfer per biennium.
202	Early Learning Advisory and Accountability Council - expansion of ELAAC membership and duties	\$ -	\$ -	\$ 618,000	Ongoing at \$596,000/FY. DCYF assumes 3 FTE for administration of ELAAC, 6 ELAAC meetings per year, 4 meetings per year per subcommittee (16 total), equipment, and indirect agency costs. GOV assumes costs for 0.1 FTE and travel. COM assumes costs for 0.2 FTE and travel.
203	Inflationary adjustment for sections 309, 310, 312, and 319	\$ -	Indeterminate	Indeterminate	Dependent upon inflation.
205	Early Learning Health Care Expansion Account	\$ -	Indeterminate	Indeterminate	\$10 million transferred to account every 2 years. Expenses are indeterminate due to unknown funds and unknown need of population.
206	Non-standard hours rate model	\$ -	\$ 97,000	\$ -	One-time costs include contractor expenses and staff support.
207	Early Learning Facilities Fund start-up grants	\$ 69,000.00	\$ 69,000.00	\$ 142,000	Costs do not include grant awards, which are up to \$1 million per grant. DCYF and Commerce costs for staff to work together to establish quality standards for early learning programs, ongoing at \$135,000/FY.
208	ELF grants for municipalities	\$ -	\$ -	\$ 141,000	Costs do not include grant awards, which are up to \$1 million per grant. DCYF costs for staff to work with Commerce to establish quality standards for early learning programs, ongoing at \$134,000/FY.
209	HBE will consult with DCYF to conduct outreach and enrollment campaign, report by June 2024.	\$ -	\$ 112,000	\$ 336,000	Ongoing at \$331,000/FY for staff to manage and support campaign outreach, as well as funding for outreach activities

PART III - EARLY LEARNING POLICIES

1. Supporting Child Care Access and Affordability		FY 2021	FY 2022	FY 2023	Assumptions
301	WCCC eligibility - existing law with homeless definition added, strikes "single parent" for student parents, prohibits DCYF from increasing copay in 12 month eligibility period	\$ -	\$ -	\$ 9,694,000	DCYF assumes a 25% uptake in student parents, leading to an increase of 652 new eligible families per year. No copayment is assumed. A 100% uptake would cost \$39 million.
303	WCCC - 85% SMI for 0-5, copay restructure	\$ -	\$ 234,166,000	\$ 234,166,000	Ongoing costs of \$234.2M/FY. Caseload impact: DCYF assumes a 16% uptake of 15,297 additional households to the caseload per year (\$201.4M/FY). Copayment impact: \$0, \$15, \$150, or 15% of income copayment (\$32.8M/FY)
305	ECEAP definitions - entitlement at 36% SMI, homeless, and EHS/ESIT/0-3 pilot participants entitled.	\$ -	\$ -	\$ -	Total costs beginning in FY 2027: \$56.6M annual cost to expand ECEAP entitlement. DCYF assumes 4,137 new slots (70% school day, 30% working day). Costs include client services, 6 FTE, child assessment costs, and travel. \$23.5M annual cost for an assumed increase of 1,196 children experiencing homelessless and 514 slots for children participating in EHS, ESIT, or E-ECEAP.
2. Increasing and Sustaining Child Care Supply and Early Learning Workforce		FY 2021	FY 2022	FY 2023	Assumptions
308	Subsidy rates at 75th percentile of market beginning at level 2 until 2024, then cc cost model	\$ -	\$ -	\$ 81,316,000	Cost for provider rate increase to 75th percentile of market rates assumes increased eligibility.
309	ECEAP rates 10% increase	\$ -	\$ -	\$ 19,236,000	Costs assumed under current ECEAP expansion and FY 2020 slot rates. Based on expansion, there would be an estimated 18,769 slots in FY 2023.
310	Trauma Informed Designation for Complex Needs	\$ -	\$ 72,000	\$ 65,000	Ongoing costs for department to provide a complex needs subsidy rate enhancement for providers. Rate enhancement is not included in the cost estimate.
311	Early childhood equity grants	\$ -	\$ -	\$ 354,000	Ongoing at \$333,000 per fiscal year for 3 FTEs to process grant payments, manage the program and stakeholder meetings, and provide program support and communications. Grant awards are not included in the cost estimate.

312	Dual Language Workforce and Designation	\$ -	\$ 71,000	\$ 66,000	Ongoing costs for department to establish a dual language designation rate enhancement for early learning providers. Rate enhancement is not included in the cost estimate.
313	Technical Assistance for Employer Supported Child Care	\$ -	\$ -	\$ 998,000	Ongoing at \$634,000/FY for 4 FTEs at COM (2) and DCYF (2) to coordinate and provide technical assistance for employer supported child care.
314	Mental health consultation	\$ -	\$ -	\$ 545,000	Ongoing costs include mental health consultation for the service hubs (\$370,000) and Early Achievers mental health coaching (\$175,000).
315	Training grants for early learning providers	\$ -	\$ -	\$ 114,000	Ongoing at \$107,000/FY for 1 FTE to process MERIT payments, training awards, and other grants and payments.
316	Shared Services for Child Care Providers	\$ -	\$ -	\$ 2,008,000	Ongoing at \$2M/FY to contract for the shared service hub (\$1.9M) and DCYF staff support (\$119,000).
3. Supporting Families with Children from Prenatal to Age Three		FY 2021	FY 2022	FY 2023	Assumptions
318	Parent and Family Education and Support	\$ -	\$ -	\$ 43,802,000	DCYF assumes a 5,000 slot expansion in home visiting services that was detailed in the Home Visiting Expansion Report (2019). Costs include client service contracts (\$41.6M/FY), and agency costs for 14.5 FTEs (\$2.2M/FY)
319	Infant and toddler care incentives, child care cost model in 2025	\$ -	\$ -	\$ 518,000	One-time costs for IT development and intra-agency coordination in the first year of implementing an infant toddler enhanced rate.
320	Expanding early interventions	\$ -	\$ -	Indeterminate	Costs are indeterminate. DCYF assumes it would cost \$82.9M/FY to expand the Early Childhood Intervention Prevention Services (ECLIPSE) program statewide (not required in bill). DCYF estimates a caseload of approximately 3,600 children statewide with family risk characteristics. Costs include 17 FTEs at DCYF (\$1.8M/FY), client services (\$67.8M/FY), and \$300 per slot per month for transportation costs (\$12.9M/FY).
DCYF Information Technology (IT) costs to implement HB 2661		\$ 9,326,000	\$ 32,880,000	\$ 32,836,000	Ongoing at \$32.8M/FY. Primary IT enhancement impacts are in sections 303, 306, 308, and 309. The system upgrades include, but are not limited to: replacement of the Social Service Payment System (SPSS), pdated to MERIT, ELMS, and WA Compass, and new report development in various systems based on the new eligibility requirements in the bill.

	FY 2021	FY 2022	FY 2023	4-Year Total
Total, excluding indeterminate costs	\$ 9,395,000	\$ 267,467,000	\$ 426,955,000	\$ 703,817,000