



CASELOAD FORECAST UPDATE

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Washington State Caseload Forecast Council

Senate Ways and Means Committee, October 13, 2020



June Forecast Framework and Process

COVID-19 as a Black Swan event:

Ability to accurately forecast is nearly impossible;

Level of uncertainty is extremely high;

Consequences are highly significant.

Framework used to project changes due to COVID-19 and economic downturn involves three factors and related questions / unknowns:

1) Federal policy:

When will the federal HHS Declaration of Public Health Emergency end?

2) State policy and public health conditions:

When will Washington state return to a “new normal?”

3) Economic Impacts:

How will the economic downturn impact various caseloads?

CFC staff consult with the Formal Workgroup on overarching framework, and the Technical Workgroups by caseload area on program-specific forecast drivers, statistical and judgmental inputs, and forecast risks



June 2020 Forecast Tracking

Most of the caseloads are tracking below the June forecast for two reasons:

1. Several forecasts pegged the return to a "new normal" to Phase 4 of the Governor's re-opening plan, which is now on hold

2. Several forecasts pegged the economic downturn to the ERFC unemployment rate forecast from May, which is now lower

Program Area	Caseload Forecast Category	Reporting Month(s)	Actual Caseload	June Forecast	Variance from June Forecast	Percent Variance
Education*	OSPI Common Schools Enrollment	Sep	1,032,350	1,081,666	-49,316	-4.6%
	WSCSC Charter Schools	Sep	3,482	4,067	-585	-14.4%
Corrections	DSHS / DCYF Juvenile Rehabilitation	May-Sep	401	429	-28	-6.5%
	DOC Adult Inmate	May-Sep	15,742	16,202	-460	-2.8%
	DOC Community Supervision	May-Sep	20,080	21,091	-1,011	-4.8%
Public Assistance	ESA Temporary Assistance for Needy Families	May-Sep	30,862	30,738	124	0.4%
	DCYF Working Connections Child Care	Mar-Jul	24,171	23,451	720	3.1%
	ESA Aged, Blind, Disabled Assistance Grant	Mar-Jul	21,055	21,467	-412	-1.9%
Children's Services	DCYF Licensed Foster Care	Mar-Jul	5,750	5,801	-51	-0.9%
	DCYF Adoption Support	Mar-Jul	15,856	15,850	6	0.0%
Medical Assistance	HCA Adult Caretakers and Children	Mar-Jul	975,050	992,389	-17,339	-1.7%
	HCA Low-Income Adults	Mar-Jul	586,786	599,476	-12,690	-2.1%
	HCA Aged, Disabled, and Other Medical	Mar-Jul	267,156	269,749	-2,593	-1.0%
Long Term Care	ALTSA Nursing Homes	Feb-Jun	8,920	9,336	-416	-4.5%
	ALTSA Home and Community Services	May-Aug	61,344	61,268	76	0.1%
	DDA Total Personal Care	Apr-Jul	15,493	15,983	-490	-3.1%

*2020-21 academic year data is not available for Common Schools Special Education and Bilingual Education, nor is it available for College Bound Scholarship or Washington College Grant programs.

February and June 2020 Forecast tracking data and reports by caseload are available at www.cfc.wa.gov.

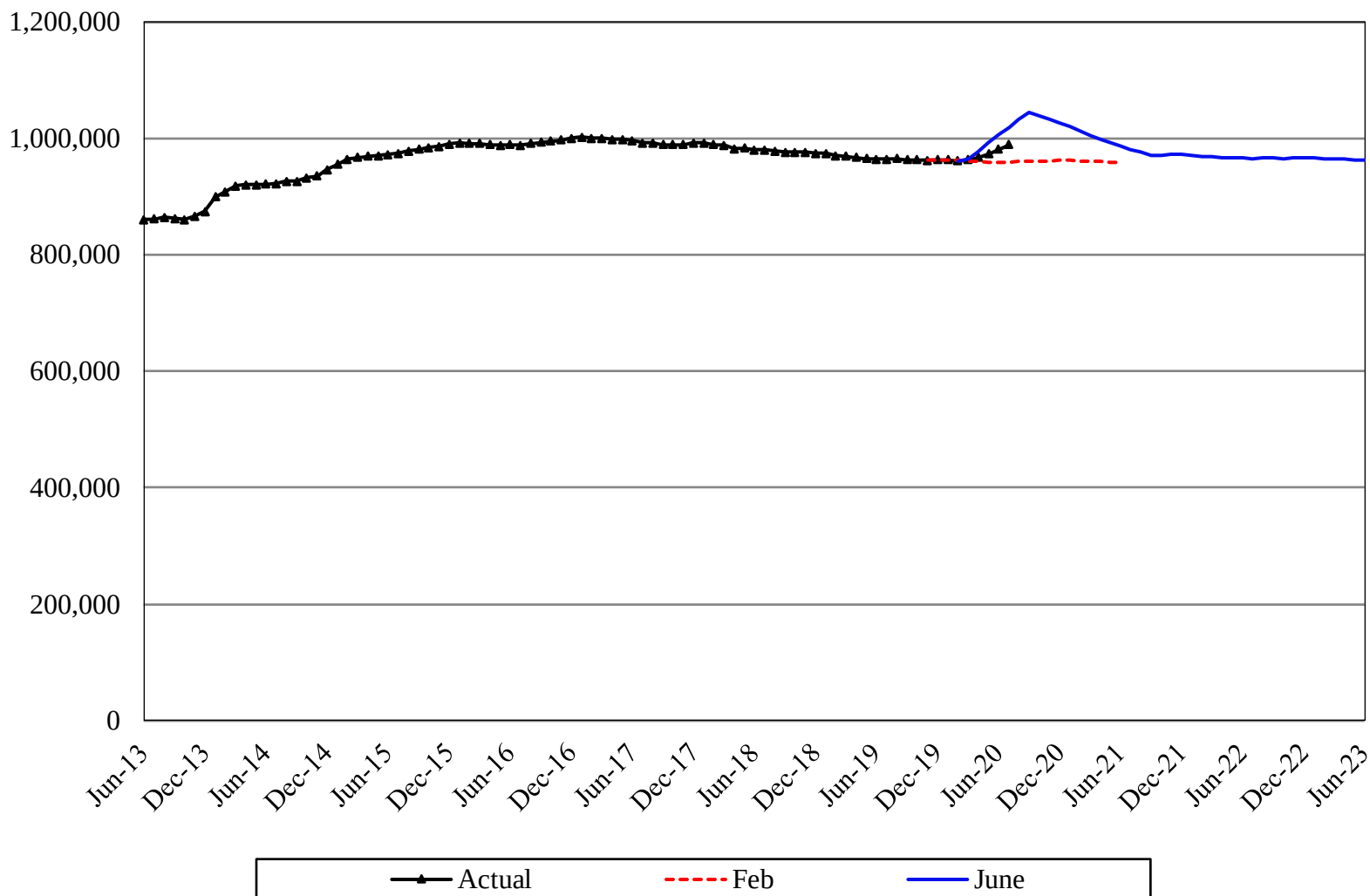


Medical Assistance: CN Adult Caretakers and Children

Actuals are tracking 1.7% below the June forecast, primarily because entries are not growing in step with the change in unemployment rate as assumed in June.

Growth is driven by a significant reduction in exits because the federal Public Health Emergency (PHE) limits client terminations.

Risk:
Uncertainty around when the PHE will end.

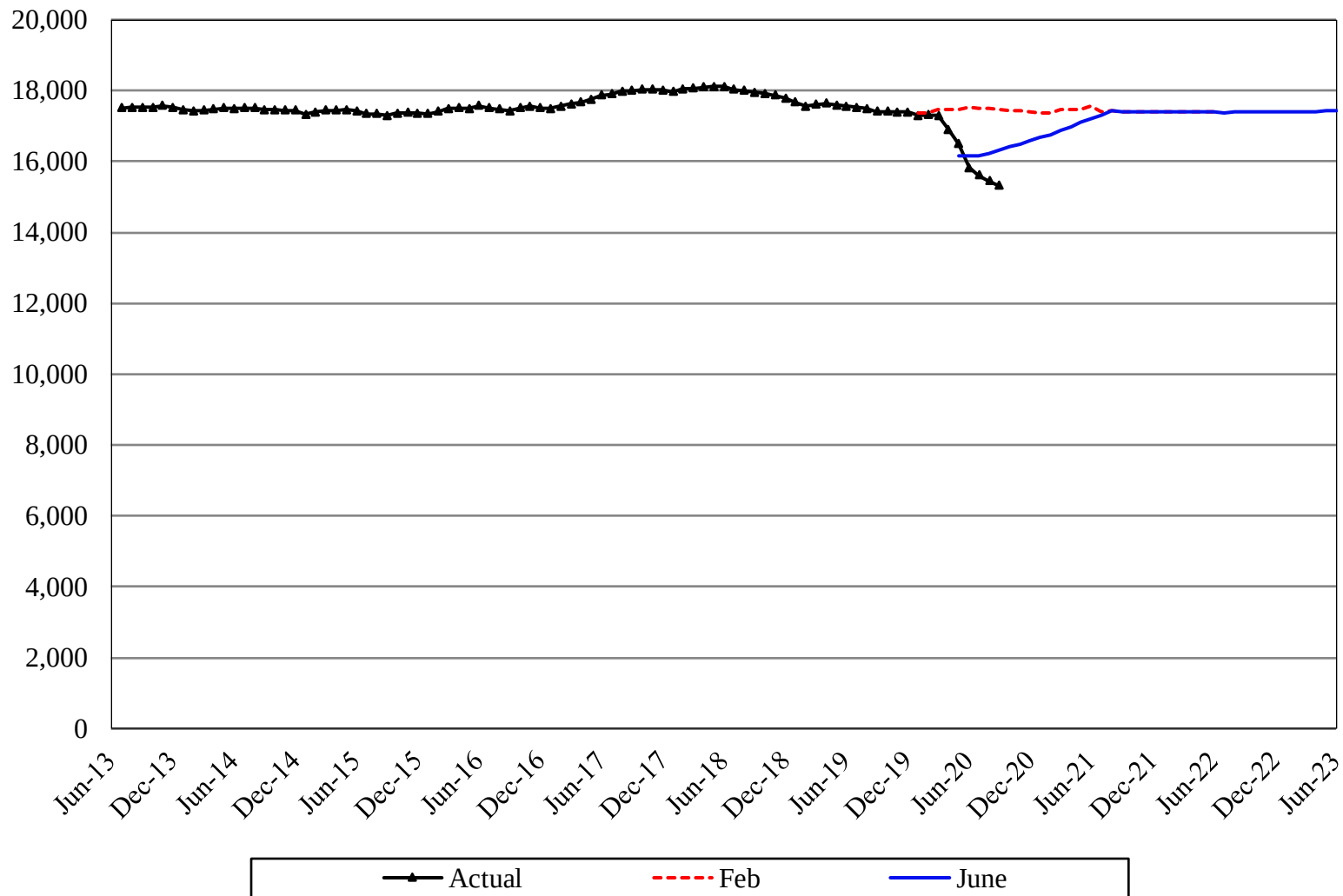




Corrections: Adult Inmate

Actuals are tracking 2.8% below the June forecast, primarily due to COVID-19 related slowdowns in the criminal justice system extending longer than assumed in June.

Risks: Uncertainty around timing of state reopening, court capacity, and arrest and charging decisions.



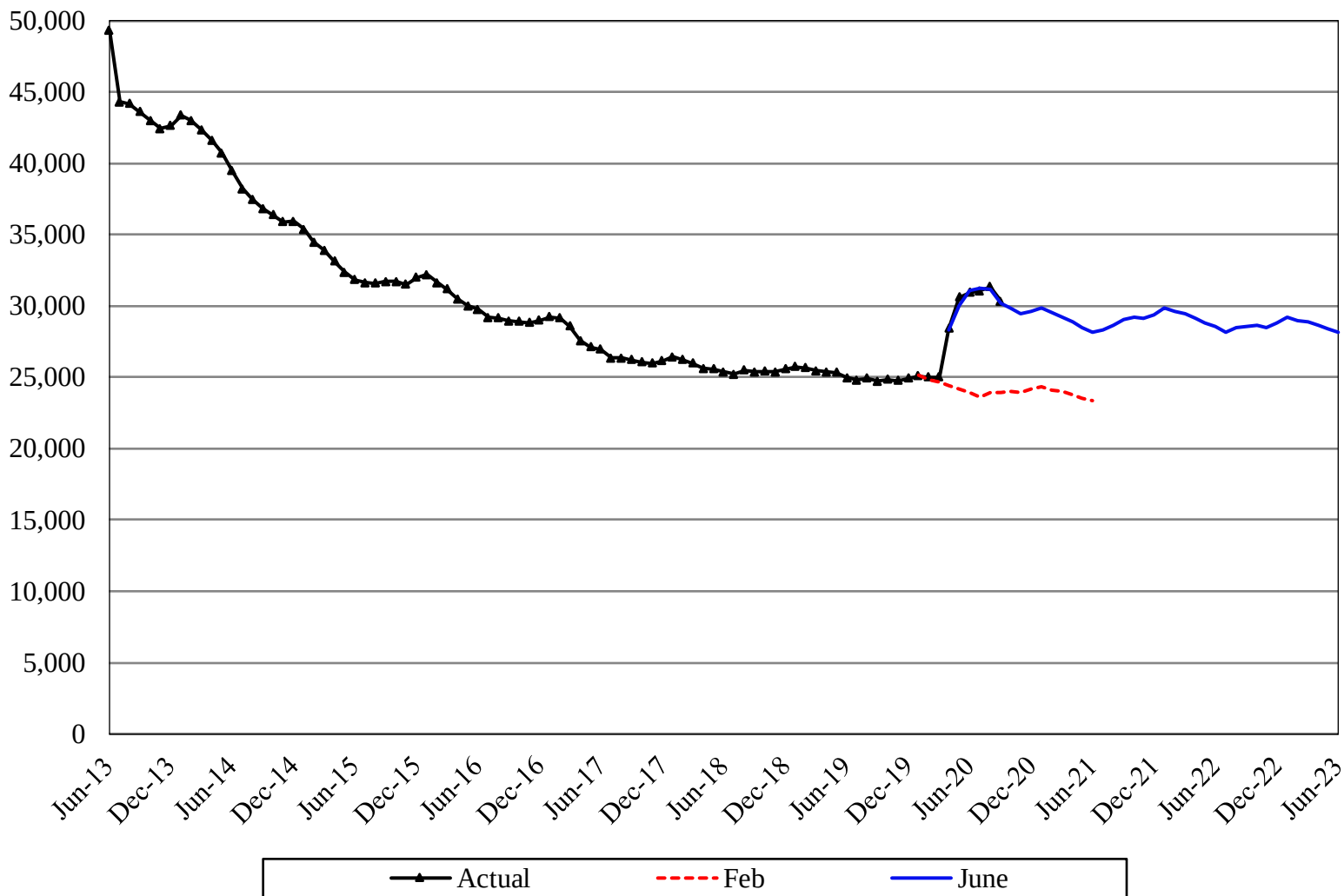


Public Assistance: TANF

Actuals are tracking 0.4% above the June forecast.

The significant increase in April is primarily due to the COVID-19 related suspension of time limits and participation requirements.

Risks: Uncertainty around when these requirements will be reinstated, and the magnitude and duration of the economic downturn.



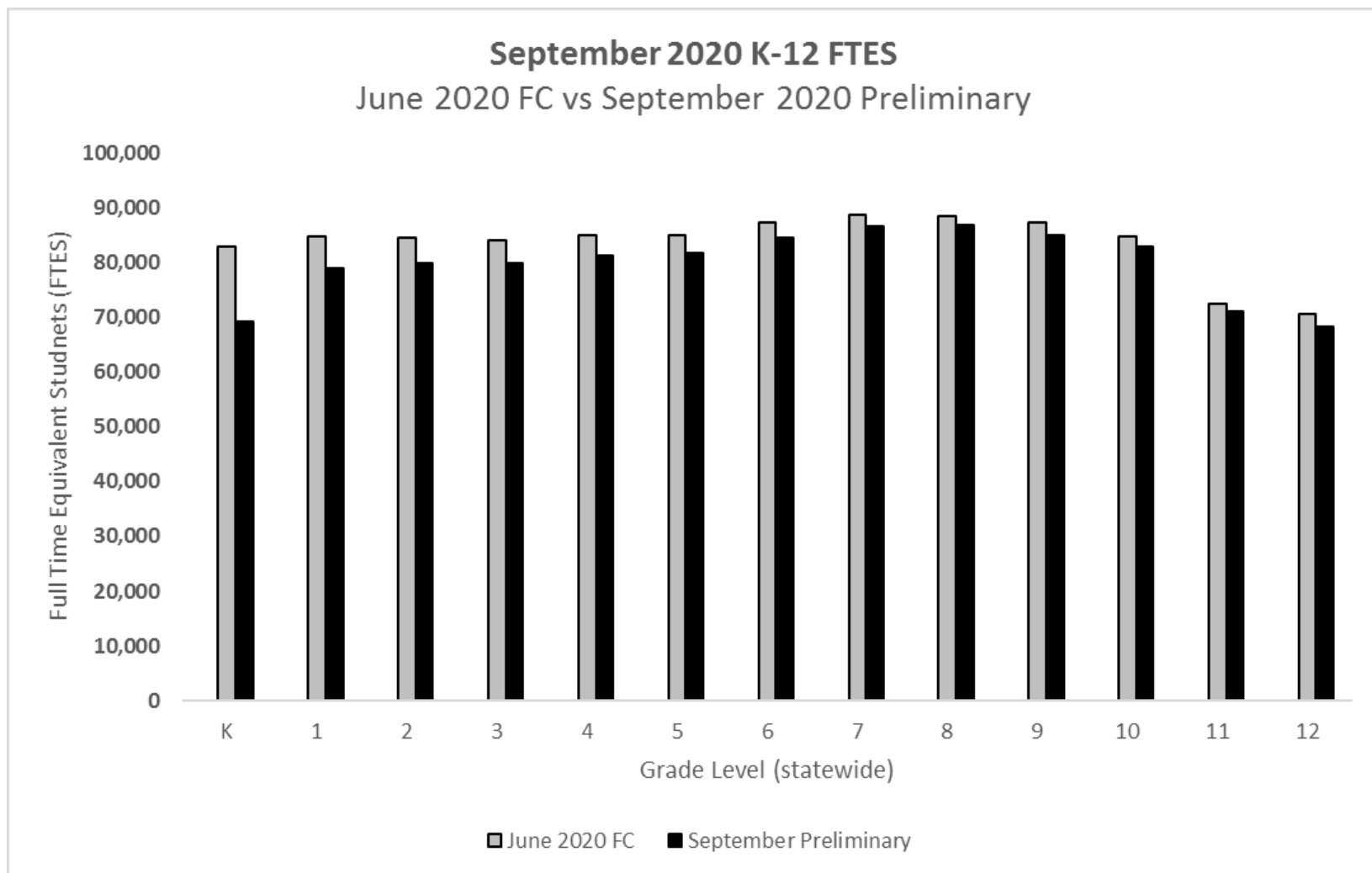


Education: Common Schools

Sept 2020 preliminary actuals are tracking 4.6% below the June forecast for the 2020-21 school year. Reliable data arrive in late October.

Kindergarten is tracking 16.5% below forecast; the variance from forecast diminishes as grade levels increase.

Risks: Uncertainty around timing of state reopening, and online / hybrid learning.



September data excludes Running Start, Open Doors, Special Education, and Bilingual.



Looking to the November forecast

We are monitoring and/or incorporating:

- Federal Policies:
 - Public Health Emergency
- State Policies:
 - DOH updates regarding vaccine distribution plans
 - Agency-specific plans and feedback via technical workgroup
- Economic Impacts:
 - ERFC employment data and forecasts

Main caveats and challenges:

- Factors we are pegging COVID-related impacts to are moving targets
- Variables and risk factors vary by caseload / program area



Thank you!

Questions or Comments?

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