

## 2018 Supplemental Budget Decision Package

**Agency: 357 Department of Children, Youth, and Families**

**Decision Package Code/Title: M2-HC / Transfer Homeless Child Care Program**

**Budget Period: 2017-19**

**Budget Level: Maintenance Level**

**Agency Recommendation Summary Text:**

Merging the Homeless Child Care Program (HCCP) into the traditional Working Connections Child Care Program brought the department into compliance with 42 USC § 9858 by providing families experiencing homelessness a grace period to provide documentation of eligibility and by improving access to high-quality early learning programs for Washington’s most vulnerable children.

The Department of Children, Youth, and Families is requesting a technical budget adjustment and \$1.6 million in Fiscal Year 2019 to align with current policy that transferred the HCCP to the Economic Services Administration of the Department of Social and Health Services effective July 1, 2017.

In Fiscal Year 2017, the HCCP served 610 children in 354 families. By modifying the service delivery model to comply with federal requirements, DCYF estimates that the caseload for Fiscal Year 2019 will be 950 children in 597 families.

**Fiscal Summary:**

<b>Operating Expenditures</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
001-1 – General Fund-State	\$0	\$1,731,868	\$1,953,551	\$2,205,102
<b>Total Cost</b>	<b>\$0</b>	<b>\$1,731,868</b>	<b>\$1,953,551</b>	<b>\$2,205,102</b>
Staffing	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
FTEs	0.0	1.5	1.7	2.0
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Object A – Salaries	\$0	\$80,000	\$90,000	\$102,000
Object B – Benefits	\$0	\$41,000	\$43,000	\$46,000
Object E – Goods & Services	\$0	\$19,000	\$21,000	\$24,000
Object N – Grants & Benefits	\$0	\$1,589,868	\$1,796,551	\$2,030,102
Object P – Debt Service	\$0	\$0	\$1,000	\$1,000
Object T – Indirect	\$0	\$2,000	\$2,000	\$2,000

**Package Description**

*“The State shall use amounts provided to the State for each fiscal year under this subchapter for child care services on a sliding fee scale basis, activities that improve the quality or availability of such services, **activities that improve access to child care services, including the use of procedures to permit enrollment (after an initial eligibility determination) of homeless children while required documentation is obtained, training and technical assistance on identifying and serving homeless children and their families, and specific outreach to homeless families...**” - 42 U.S.C. § 9858c. (3)(B)(i) (Child Care Development Block Grant – emphasis added in bold)*

The Department of Children, Youth, and Families (DCYF) seeks \$1,589,868 in Fiscal Year 2019 for the DSHS budget to streamline policies and improve access to quality child care by merging the Homeless Child Care program with WCCC and expanding it statewide to improve access for vulnerable children experiencing homelessness. Under the Child Care Development Block Grant (CCDGB) (citation above), families experiencing homelessness must be allowed a grace period to provide documentation of eligibility. Under the WCCC program, families experiencing homelessness have up to four months to provide verification of an allowable activity for the Working Connections Child Care, and transition to a 12 month eligibility after verification is provided. Child Care Aware (CCA) of Washington is currently contracted to provide referrals and support for homeless families seeking child care.

**Base Budget:**

<b>Fiscal Year 2017 (Actuals)</b>	General Fund-State	Child Care Development Fund	Total
Homeless Child Care Program	\$10,700	\$781,192	\$791,892
<b>Fiscal Year 2018 (Budgeted)</b>			
Homeless Child Care Program	\$0	\$850,000	\$850,000

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

Merging the Homeless Child Care program (HCCP) into the traditional Working Connections Child Care program will result in the statewide implementation of homeless child care services. Data is incomplete and many homeless families are dually eligible for traditional Working Connections Child Care based on an approved work activity. Statewide implementation of homeless prioritization as implemented is estimated to cost an additional \$2.7 million in the 2017-19 biennium. See the attached cost model for more details.

**Decision Package Justification and Impacts**

**What specific performance outcomes does the agency expect?**

DCYF anticipates that as a result of statewide access, the number of homeless families receiving WCCC benefits will increase statewide, particularly in counties where the current HCCP does not operate. Further, the number of months that children experiencing homelessness receive subsidized child care

will increase. As a result of the increased dosage and more stable care, these children will become more kindergarten ready, as demonstrated by their scores on the WaKIDS assessment.

**Performance Measure detail:**

- Number of homeless children receiving WCCC benefits statewide.
- Kindergarten readiness of homeless children receiving WCCC benefits.

**Fully describe and quantify expected impacts on state residents and specific populations served.**

DCYF expects the kindergarten readiness of homeless children to improve over time as more of the eligible caseload receives benefits.

**What are other important connections or impacts related to this proposal?**

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	Yes	Identify: Families receiving WCCC benefits transitioning from locally-funded homeless services.
Tribal gov't impacts?	Yes	Identify: Families receiving WCCC benefits transitioning from tribally-funded homeless services.
Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	Yes	Identify: This package brings DEL into compliance with 42 U.S.C. § 9858 et seq.
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	Yes	Identify: Updates to Chapter 170-290 WAC will be required.

<b>Is the request related to or a result of litigation?</b>	<b>No</b>	<b>Identify lawsuit (please consult with Attorney General's Office):</b>
<b>Is the request related to Puget Sound recovery?</b>	<b>No</b>	<b>If yes, see budget instructions Section 14.4 for additional instructions</b>
<b>Identify other important connections</b>		<b>None</b>

**Please provide a detailed discussion of connections/impacts identified above.**

The current Homeless Child Care Program provides one to two months of child care for homeless families in select counties in Washington. If this package is funded, homeless families across Washington will have access to high-quality child care, a four month grace period to provide documentation of eligibility for the Working Connections Child Care program, and increased continuity of care once documentation of eligibility has been provided.

**What alternatives were explored by the agency and why was this option chosen?**

The agency considered allowing families participating in the current HCCP categorical eligibility in WCCC. However, this does not address the requirements of 42 U.S.C. § 9858c (requiring a grace period for eligibility verification).

**What are the consequences of not funding this request?**

Not funding this request leaves the state out of compliance with the requirements of 42 U.S.C. § 9858c and may jeopardize Washington's future federal Child Care Development Block Grant awards.

**How has or can the agency address the issue or need in its current appropriation level?**

Current federal funds already dedicated to HCCP are necessary for maintenance of current caseload and are inadequate to address the additional need.

**Other supporting materials:**

**Information technology:**

No

Yes

### Statewide Homeless Child Care

	SFY 2018	SFY 2019	SFY 2020	SFY 2021
<b>Average Monthly Caseload</b>	158	203	229	259
<b>Funding Gap</b>	\$ 1,069,176.80	\$ 1,589,868.00	\$ 1,796,550.84	\$ 2,030,102.45

*Assumptions*

First Year Ramp up to approximately 200 cases per month by SFY19.

Homeless family size has historically been 1.52 (consistent with households in licensed care)

Assumes a 13% annual homeless family growth rate. While the economy is improving, rent increases are continuing to outpace income increases and the availability of affordable housing is shrinking

Using average licensed care family size of 1.59 for consistency of data and to reflect the broader interpretation of eligible homeless families.

Assumes 6% center rate increase that was unknown during development of SF 17 DP

Adding an additional 10% statewide expansion to reflect actual eligible families as of September 15, 2017.

Assumes TANF eligible families should transition to TANF and WCCC within one month, but the homeless flag and no copay will continue for all families initially identified as eligible for homeless child care.

**Assumes current 70% authorization rate will increase to 75%**

this will need to be monitored and adjusted as we have only very early data to base this assumption on.

