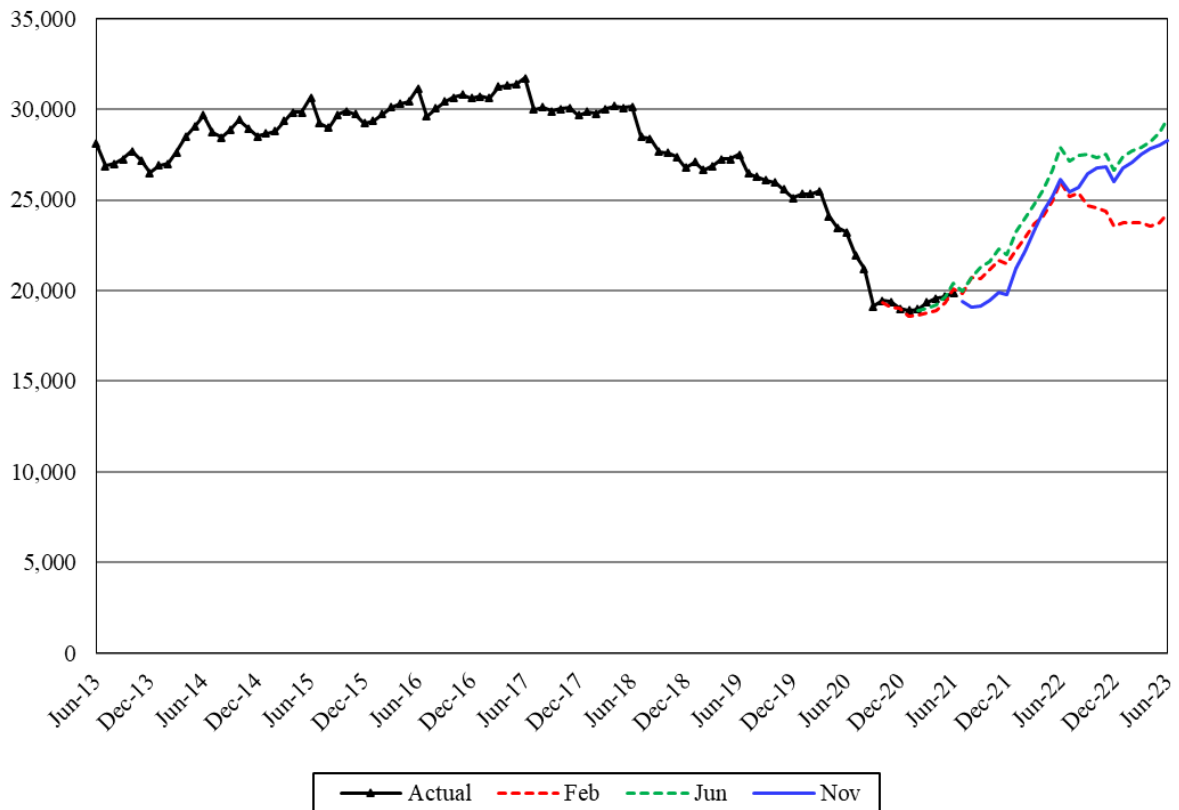


Working Connections Child Care (WCCC)

Caseload Forecast Council
November 9, 2021

Working Connections Child Care



The Working Connections Child Care (WCCC) caseload is made up of households who are working (or were formerly working) with incomes of up to 60 percent of the state median income, as adjusted for family size, and recipients (or recent former recipients) of Temporary Assistance for Needy Families (TANF).

Forecast Comparisons (Fiscal Year Averages)

| Fiscal Year | Feb-21 Forecast | Jun-21 Forecast | Nov-21 Forecast | Feb to Nov Difference | Percent Difference | Jun to Nov Difference | Percent Difference |
|-------------|-----------------|-----------------|-----------------|-----------------------|--------------------|-----------------------|--------------------|
| 2022 | 22,459 | 23,325 | 21,602 | -857 | -3.8% | -1,723 | -7.4% |
| 2023 | 24,209 | 27,747 | 26,887 | 2,678 | 11.1% | -860 | -3.1% |

The November 2021 forecast is, on average, 911 cases or 3.9 percent higher than the February forecast, and 1,292 or 5.1 percent lower than the June forecast for the 2021-23 Biennium.

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Tracking the Current Forecast

| | Jun-21 Forecast | Actual | Variance | Percent Variance |
|--------|--------------------|--------|----------|---------------------|
| Feb-21 | 18,921 | 18,989 | 68 | 0.4% |
| Mar-21 | 19,003 | 19,342 | 339 | 1.8% |
| Apr-21 | 19,233 | 19,578 | 345 | 1.8% |
| May-21 | 19,671 | 19,658 | -13 | -0.1% |
| Jun-21 | 20,387 | 19,892 | -495 | -2.4% |

Actuals are tracking, on average, 49 cases or 0.3 percent higher than the June 2021 forecast.

Fiscal Year Caseload Change

| | Fiscal Year | Caseload | Change from Prior Year | Percent Change |
|----------|-------------|----------|---------------------------|-------------------|
| Actual | 2014 | 27,605 | | |
| | 2015 | 29,175 | 1,570 | 5.7% |
| | 2016 | 29,828 | 653 | 2.2% |
| | 2017 | 30,767 | 939 | 3.1% |
| | 2018 | 29,991 | -776 | -2.5% |
| | 2019 | 27,412 | -2,579 | -8.6% |
| | 2020 | 25,200 | -2,213 | -8.1% |
| | 2021 | 19,706 | -5,494 | -21.8% |
| Forecast | 2022 | 21,602 | 1,896 | 9.6% |
| | 2023 | 26,887 | 5,285 | 24.5% |

This forecast includes three step adjustments to account for the expected caseload impacts of E2SSB 5237 (Chapter 199, Laws of 2021). Among other changes to state programs for children, this legislation: (1) changed the maximum family income eligible for WCCC from 200 percent of the federal poverty level to 60 percent of the State median income (SMI) for a given family size; (2) established new schedules for copayments for families in WCCC with lower maximum amounts; and (3) expanded the exemption from work requirements previously provided to single parents enrolled in certain programs at community, technical, and tribal colleges to include both parents that are not single and additional courses of study. Each of these step adjustments serves to increase the caseload forecast, with the adjustments increasing gradually from July 2021.

Additionally, the forecast continues to incorporate a step adjustment estimating the reduction in the caseload caused by both reduced entries of new households and increased exits from the program over the past 19 months due to health concerns, difficulty meeting work requirements, and other effects of the COVID-19 pandemic. Due to the resurgence of COVID infections late in the summer, this adjustment has been extended and will be phased out over the first 9 months of 2022.

Risks to the Forecast

Risks to this forecast are high. The pandemic has affected patterns of work and child care utilization and has also affected the supply of child care services, leading in turn to a substantial decline in the WCCC caseload. While this forecast anticipates that the caseload will begin to recover late this year, aided by the expected approval of COVID-19 vaccines for children under 12, the pandemic's impact has been such that any divergence from the expected trend of recovery due to changes in epidemiological conditions may produce significant variance. The scale of the step adjustments associated with the program expansion under E2SSB 5237 introduce further risks to the forecast.