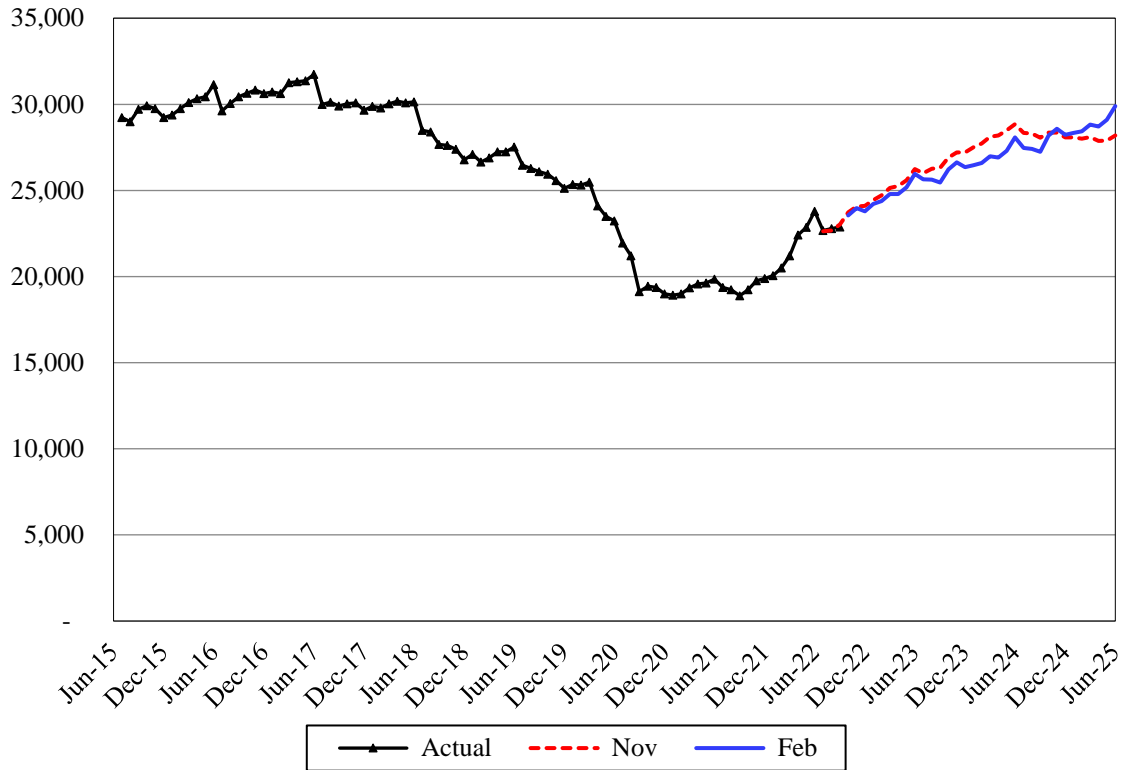


Working Connections Child Care (WCCC)

Caseload Forecast Council
February 10, 2023

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	Nov-22 Forecast	Feb-23 Forecast	Nov to Feb Difference	Percent Difference
2023	24,300	24,079	-221	-0.9%
2024	27,392	26,520	-872	-3.2%
2025	28,135	28,368	233	0.8%

The February 2023 forecast is 221 cases or 0.9 percent lower than the November 2022 forecast for FY 2023 and, on average, 320 cases or 1.2 percent lower for the 2023-25 Biennium

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Tracking the Current Forecast

	Nov-22 Forecast	Actual	Variance	Percent Variance
Jul-22	22,628	22,665	37	0.2%
Aug-22	22,667	22,785	118	0.5%
Sep-22	23,032	22,885	-147	-0.6%

Actuals are tracking, on average, 2 cases or a negligible percentage above the November forecast.

Fiscal Year Caseload Change

	Fiscal Year	Caseload	Change from Prior Year	Percent Change
Actual	2016	29,828		
	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	19,699	-5,500	-21.8%
	2022	20,597	897	4.6%
Forecast	2023	24,079	3,482	16.9%
	2024	26,520	2,441	10.1%
	2025	28,368	1,848	7.0%

The November forecast for Working Connections Child Care included three step adjustments to account for the caseload impacts of expanded eligibility criteria and lower copayment requirements under E2SSB 5237 (Chapter 199, Laws of 2021; also known as the Fair Start for Kids Act). The effects of these policy changes are assumed to have been incorporated into the forecast trend, and the step adjustments have been removed for the February forecast.

Risks to the Forecast

The risk to this forecast is moderate to high. The pandemic affected patterns of work, child care utilization, and the delivery of child care services, leading in turn to a substantial decline in the WCCC caseload. While this forecast anticipates that the caseload will continue to recover, the pandemic's impact has been such that any divergence from the expected trend of recovery may produce significant variance. While provider availability does not appear to have restricted caseload growth so far, there is risk associated with potential supply limits within the child care system.