



STATE OF WASHINGTON
CASELOAD FORECAST COUNCIL
PO Box 40962, Olympia Washington 98504-0962 (360) 664-9380

MINUTES

Caseload Forecast Council (CFC)
February 14, 2020
John A. Cherberg Building
Hearing Room 3

Members Present: David Schumacher, OFM, Vice Chair
Cheryl Strange, DSHS

Staff Present: Elaine Deschamps, Executive Director
Erik Cornellier, Deputy Director
Gongwei Chen
Paula Moore
Erik Sund
Kathleen Turnbow
Shidong Zhang

Others Present: Rusty Fallis, Office of the Attorney General
Carl Wolfhagen, OFM

CALL TO ORDER

Director Schumacher called the meeting to order at 1:35 p.m.

AGENCY UPDATE

Dr. Elaine Deschamps reported that the criminal justice side of the agency has been busy processing fiscal notes with over 85 fiscal note requests received half way through the legislative session.

As of fiscal cut-off, the number of bills potentially impacting the CFC went from eight to two. The two remaining bills are now in the Senate Rules committee. One bill impacts the Developmental Disabilities portfolio, and the other bill involves the CFC in a workgroup that looks into studying the accuracy of fiscal notes. Neither of the bills require a new forecast for the CFC. Dr. Deschamps will continue to monitor the bills as they proceed through the session.

FEBRUARY 2020 FORECASTS

Forecast Overview

Dr. Deschamps discussed the February forecast comparison by Direction and Magnitude of Change noting that about one-half of the forecasts either have negligible changes or are unchanged from the November forecasts. There are more forecasts that are lower than the November forecasts than there are higher. There does not seem to be any universal explanation for this. Some of the forecasts are affected by the improved economy, and some are impacted by policy changes.

The 26 forecast program areas include about 200 forecasts. A review of the forecasts by program area shows that of those 26 program areas, excluding the forecasts that are lower than 5,000 cases and would be subject to higher variances naturally, only seven program areas are above a 1 percent variance.

Education

Bilingual Education

Paula Moore reported that the Bilingual Education forecast is down 0.8 percent. Every year students are screened in, and for the last couple of years, it has taken longer to screen them in because of a test change. This year screenings are being processed faster, so an assumed bump up in November did not happen. Immigration is always hard to predict with this caseload on the margins, so this is the riskiest K-12 forecast.

Charter Schools

The February forecast for Charter Schools is down four percent. Partially what happened is that one school had been run by a non-profit that had closed two others, and that non-profit no longer has a relationship with that school. So most of the change can be attributed to one school. Two other schools are slightly lower than forecast, and the rest of the schools are within one percent of their forecast. Enrollment is expected to bounce back up next year.

College Bound Scholarship Program

The College Bound Scholarship Program forecast is 1.7 percent higher. There was a slight uptick in first year enrollment from what was forecast. The caseload is expected to be much more stable with five full years of cohorts now in the program. Because changes to the economy will drive college attendance, this caseload could be affected by economic upturns and downturns.

Washington College Grant Program

Ms. Moore explained that the Washington College Grant Program consists of a headcount forecast and an FTE forecast. The headcount forecast is 0.6 percent higher. This is based on adding an additional year of data and updating the model to account for OFM population growth. The FTE forecast is 4.9 percent lower. For the November forecast, Unit Record Data, which had age-based information, was used for the FTE estimate. It turned out that the Unit Record Data has an anomaly in both the College Bound Scholarship Program and the State Need Grant. While the data issue is being reviewed, the Interim Report was used to create an FTE estimate for the February forecast. This is one of the riskiest forecasts because it is brand new and includes predicting the behavior of 18-24 year-olds.

Early Childhood Education and Assistance Program (ECEAP)

Dr. Gongwei Chen reported that the February ECEAP forecast is revising the November forecast down. Over the last couple of years, there was a drop in the slot utilization rate, and from last year to this year, there was another drop. In the November forecast, they were still using the utilization rate from a year ago, but because of the observed further drop, they lowered the rate. One reason for the lower forecast is that the number of three and four-year olds who are living under 110 percent of the federal poverty level has been declining. There may also be a reluctance for some families to use state programs because of immigration status concerns.

Corrections

Contact-Required-Community Supervision

There was an acceleration of growth in the community supervision caseload in the beginning of 2019, About 4 or 5 months later, it began to drop, and it has continued to drop. It was determined that the driver of the growth was a Department of Corrections (DOC) project to improve and streamline how tolling is calculated. In criminal justice jargon tolling means “not counting,” so if someone is under community supervision, but is not available for supervision, then DOC does not count that time as being supervised. The project held up some cases that should have been released, but were held on the caseload, and then a few months later they were released from the caseload, which explains the growth and the drop again. The project is concluding, and the caseload is expected to resume its average growth.

Public Assistance

Working Connections Child Care (WCCC)

Erik Sund reported that the WCCC forecast is down on average about 400 cases or 1.6 percent from the November forecast. The primary reason for the revision is an accelerated decline that was faster than forecasted in the license-exempt provider category. The reduction is partially offset by a revision to one of the policy step adjustments put into place last February to account for the provision of 12 months of eligibility for households with children who have received child protective services, child welfare services, or a Family Assessment Response from the Department of Social and Health Services. That policy was initially estimated to increase the caseload by about 159, and there are now over 700 cases being tracked under that category, so it is being revised upward for a second time. The forecast continues to have a downward trend overall. An additional new step for policy changes for providing WCCC and removing work requirements for certain student parents may offset that trend. There is some risk that if the step is estimated too high, the forecast may be off again.

Tiered Reimbursement

Erik Cornellier reported that the Tiered Reimbursement forecast is down 5.3 percent for the 2019-21 Biennium. He explained that for the next few cohorts that are slated to be rated, there is a decrease in the proportion of providers that are subsidy providers, which means there is a slow-down of providers currently sitting at level two that could be moving to level three. It is also the case that of the remaining providers that are getting rated, fewer of them are getting their initial ratings. This means a number of them have already once been rated at level two, which would mean they are less likely to be rated higher on the next rating cycle. All of that together means that there is a slow-down in providers moving to level three, and in the second year of the biennium, the impact of the drop is magnified when the final deadline goes into place for providers to move to level three to continue to receive state subsidy payments.

Medical Assistance

Adult Caretakers and Children

Dr. Shidong Zhang reported that the Adult Caretakers and Children caseload has been tracking well and is on average 0.2 percent below the November forecast. The February forecast is on average 1.3 percent lower than the November forecast for the 2019-21 Biennium. The enrollment forecast for this caseload has been doing fairly well in the past forecast cycles. The forecast change is mainly on the eligibility termination side. In October 2018, the Health Care Authority eliminated the post-eligibility review backlog, and eligibility terminations due to eligibility review was expected to be stable at a lower level, which did happen before the November forecast. However, from August 2019, eligibility terminations due to post-eligibility review jumped up a little bit resulting in a lower February forecast.

Medicaid Expansion New Eligibles

The Medicaid Expansion New Eligibles caseload has been tracking on average 0.9 percent below the November forecast. The February forecast is on average 3.2 percent lower than the November forecast for the 2019-21 Biennium. There are mainly three reasons that account for the forecast change. First, the caseload is Modified Adjusted Gross Income related and highly correlated with the Health Benefits Exchange Qualified Health Plan (QHP) enrollments. In the last open-enrollment period, the QHP enrollment was 3.8 percent lower than the prior open-enrollment period. Second, the November forecast included a step adjustment to quantify the impact of the Health Care Authority's new policy of auto-renewing qualified Categorically Needy children clients into this program. From the latest data, the policy impact can be clearly identified, but the impact was overestimated in the November forecast. Third, starting in March 2018, the Health Care Authority used a federal database to verify residency. Eligibility terminations due to the residency verification were expected to be fewer and fewer as time goes by, but they have been higher than expected.

Aging, Long Term, and Early Support Nursing Homes

Dr. Deschamps reported that the February Nursing Homes forecast is 0.6 percent lower than the November forecast. The primary driver is increased exits as opposed to reduced entries. She noted that they now have the ability to look at transfers in and out of nursing homes and within settings in the community, and will be working to improve that analysis.

Approval of Forecasts

Absent a quorum, the members in attendance were not able to vote on the forecasts. Director Schumacher asked that staff share the forecast information with the other members who were not able to attend.

The meeting adjourned at 1:56 p.m.

APPROVED AND ADOPTED BY THE CASELOAD FORECAST COUNCIL



Senator Derek Stanford, Chair

11/29/2020

Date



Elaine Deschamps, Executive Director

12.17.2020

Date



STATE OF WASHINGTON
CASELOAD FORECAST COUNCIL
PO Box 40962, Olympia Washington 98504-0962 (360) 664-9380

MINUTES

Caseload Forecast Council (CFC)
June 17, 2020
Virtual Webex Meeting

Members Present: David Schumacher, OFM, Vice Chair
Cheryl Strange, DSHS
Representative Steve Bergquist

Staff Present: Elaine Deschamps, Executive Director
Erik Cornellier, Deputy Director
Gongwei Chen
Paula Moore
Erik Sund
Kathleen Turnbow
Shidong Zhang

Others Present: Rusty Fallis, Office of the Attorney General
Carl Wolfhagen, OFM

CALL TO ORDER

Director Schumacher called the meeting to order at 1:35 p.m.

AGENCY UPDATE

Dr. Elaine Deschamps reported that ESSB 6040 was passed in the last legislative session. The bill requires the Council to present the Developmental Disabilities Administration (DDA) Waiver Service Request List, specifically with respect to the Individual and Family Services Waiver and the Basic Plus Waiver. The list, which is provided by the DDA, can be updated automatically, and real time information with requests to the list can be provided. She explained that the list is not an official forecast, but it can bring some transparency in numbers around the demand for some of the services that clients are requesting but are denied due to lack of capacity or funding.

JUNE 2020 FORECASTS

Forecast Overview

Dr. Deschamps reviewed the June forecast overview, which describes the forecasts by magnitude and direction in terms of the changes from the February forecasts. As expected with COVID-19 and the economic downturn, there are more forecasts that are either higher or lower than in February and fewer in the negligible category.

Dr. Deschamps explained that given the unusual economic times, staff have created a COVID-19 forecast impact sheet. The intent of the sheet is to capture, among all of the forecasts, four parameters where there are impacts related to COVID-19. CFC Deputy Director Erik Cornellier explained that in thinking about the impacts of COVID-19 on the forecasts, they came up with four conceptual categories, which include federal policies, state policies, economic downturn, and other risks. Mr. Cornellier discussed various items included in each category and noted the estimated timeframe that the impacts would end.

Education

Common Schools Enrollment

Paula Moore reported that the June forecast for K-12 Common Schools is 0.4 percent higher for the biennium. The forecast for next year is for a 0.7 percent increase mainly from parents who would have kept their children in a private school for kindergarten and first grade and will be moving them over to public school because of affordability. It also assumes a higher participation rate for 11th and 12th graders particularly next summer for summer school and skills centers, as those reopen.

Bilingual Education

The June forecast for the Bilingual Education program is 1.6 higher for the 2020-21 academic year. This program has a direct COVID-19 impact because the testing window was interrupted. It is estimated that about 2,600 kids who would have tested out were unable to because they could not take the test due to COVID-19-related closures. The forecast includes a temporary step up to account for those students. There is a corresponding caseload called the After Exit Program where students receive two more years of funding. That caseload is dropping because the students did not take the test, so there is a little bit of an offset.

Charter Schools

The major change for Charter Schools is that there are five new Charter Schools that will open next year. There is a small decrease in the forecast for this year, and it increases next year. When a new charter school opens in this state, under the statute they go by their budgeted numbers for the year unless they close early in the year. Therefore, even if COVID-19 interrupts plans next year, those new schools will be paid based on what is budgeted. The caseload reflects the budgeted amounts for those students. The risks to the forecast are high due to various items including uncertainty about what parents decide to do and if expansion plans can happen during a pandemic.

College Bound Scholarship Program and Washington College Grant

Ms. Moore noted that the forecasts for the College Bound Scholarship Program (CBSP) and the Washington College Grant (WCG) are the most risky of the forecasts that she works on. The first reason for this is that college participation, financial need, and the demand to participate in higher education are highly correlated with the unemployment rate. In addition, due to the schedule for forecast development, these forecasts were built on the June preliminary unemployment numbers from the Economic and Revenue Forecast Council, and those numbers have since shifted.

The CBSP forecast reflects impacts by the economic situation, demand, and health issues. The forecast for this year is lower by about 2.3 percent. The forecast declines in the short term based on the drop in the spring when colleges shifted to online learning. The forecast declines for this biennium, and it assumes that next year there will be a slight decline as some students opt out for next year. Then it is expected to pause and go back up because students who waited a year will come back if they can, and

if the unemployment rate is still higher than normal, more year-one students are expected to enroll. Future enrollments will depend on how risk-averse students are in the fall and the shape of the economy in the following year.

The WCG, formerly known as the State Need Grant, is a wider group of people than those enrolled in the CBSP. Traditionally during recessions, people return to community colleges for additional skills improvement. If this was normal times, there would be a jump up this fall, but this is not normal times, and a jump up is not expected. In addition to the health risks, there is uncertainty with working adults who have children and do not know how their children's schools will operate. There are adults who do not know if they learn well online, and adults who do not know if they will be able to return to their jobs. Because of all of these complicating factors, a drop is expected.

Corrections

Adult Inmate

Dr. Gongwei Chen reported that the COVID-19 situation has caused the Adult Inmate caseload to drop by more than 1,000 cases in February of this year. The most significant driver behind the reduction is the Department of Corrections' efforts to release offenders through rapid re-entry, furlough, commutation, and emergency medical releases. Admissions have also declined because COVID-19 has caused a reduction and delay of arrests, prosecutions, and sentencing. The June 2020 forecast assumes that the inmate caseload will stay relatively flat in May, June, and July. This assumption coincides with the Governor's four-phase reopening plan, which is scheduled to complete in late July in an optimistic scenario. The forecast further assumes that by the end of February 2021, the caseload will recover about 50 percent of its recent decline and that by the end of August 2021, the caseload will recover completely to the trajectory forecasted in the February 2020 forecast.

Risks to the forecast are high for a number of reasons. The assumptions of a recovery timeline can be off by a wide margin, and even if COVID-19 is under control by having medicine or a vaccine in the next year or so, the economic fallout is expected to continue, putting downward pressure on the caseload. Additionally, the pandemic has already caused changes and strains in the criminal justice system. Current protest activity, especially in King County, is expected to further depress the normal function of the criminal justice system.

Community Custody Violator (CCV)

The CCV caseload has weakened its growth over the last five fiscal years, driven by the growing Community Supervision caseload and by a series of policy and practice changes. Usually violators are sanctioned for a relatively short duration, so any policy or practice changes quickly lead to violator caseload changes. Consequently, when COVID-19 became a pandemic, practice changes at the Department of Corrections (DOC) lead to lower violator admissions, and the violator caseload quickly dropped by more than 1,000 cases. Those temporary practice changes include suspension of certain treatment programs, reduction of drug tests, and a reduction of offender contacts. DOC expects that once the supervision staff resume normal operations, the violator caseload will recover relatively quickly. The violator caseload is expected to return to the pre-COVID-19 level in September 2020.

The June forecast includes a step adjustment to account for the expected decline of the caseload on the community supervision side that is due to HB 2393, regarding supervision compliance credit, and HB 2394, which has to do with concurrent vs. consecutive sentences. Implementation of those two bills starting in January 2021 is expected to reduce the supervision caseload by 4,000 by Fiscal Year 2023 and put downward pressure on the violator caseload side as well.

The risks to the June 2020 forecast are high due to the expected economic downturn and the lingering threat of COVID-19. There are risks that the violator caseload may not recover fully to the trajectory projected in the February 2020 forecast.

Community Supervision

Until recently, the community supervision caseload has been growing steadily. Since February, the DOC has released many inmates in response to COVID-19. However, the additions to the supervision caseload have not caused an increase on the supervision caseload; instead, those additions were offset by reduced admissions from other sources. The lower admissions to the supervision caseload are expected to persist while the criminal justice system continues to be affected by the pandemic. Additionally, two bills that were passed during the last legislative session, HB 2393 and HB 2394, are expected to reduce the supervision caseload by about 4,000 cases by 2023. Because of these factors, combined with the impact of COVID 19, the supervision caseload is expected to decline in the next few years.

Risks to this forecast are high. The effect of COVID-19 on the supervision caseload is negative, but the magnitude is uncertain. Two big step adjustments for HB 2393 and HB 2394 add an extra layer of risk to the forecast.

Public Assistance

Temporary Assistance for Needy Families (TANF)

Carl Wolfhagen, OFM, reported that the TANF forecast has big COVID-19 impacts. The impacts come from both the economic conditions that occurred in April, and emergency policies that respond to the COVID-19 emergency. For the time being, the work participation requirements are eliminated, sanctions are eliminated, and there is a temporary waiver to the 16-month time limits. The forecast rises by 14.8 percent in the biennium with the bulk of the increase being a 24.1 percent increase in Fiscal Year 2021. The forecast rises to a relatively high level and stays relatively high for the next two fiscal years. Some of the increase is from budget steps adopted under SSSB 6478 and SHB 2441, which changed sanction rules and time limits. Approximately 1,000 to 1,100 of the additional cases in the last two years of the biennium come from legislative action in the last session.

There is considerable uncertainty to this forecast. There was a quick increase in the number of applications, and assumptions were made about when the increase will taper off. Assumptions were also made about when the emergency policies might end up changing, but with the high unemployment rate, there could be reductions in exits from TANF that would lead to a continued high caseload. There is considerable uncertainty about how big those effects are going to be and how long they are going to last.

Working Connections Child Care (WCCC)

Erik Sund reported that the WCCC actuals were tracking a little bit below one percent up until February, compared to the February forecast. The COVID-19 pandemic and associated impacts have changed the outlook for the caseload in a number of ways including increased unemployment, which impacts the ability to be rated for approved activity, declining household incomes, and other disruptions that are less directly economic. There are a number of emergency rules that have been implemented by the Department of Children, Youth, and Families (DCYF), and the expected increase in the TANF caseload will also have an impact.

The forecast incorporates three step adjustments, the first of which is to account for the lower rate of entry and is based on an observed decline in actual applications; however that is using March and April applications data, so it's a relatively early look at this phenomenon. There is also a step adjustment to account for an observed increase in exits from the program of previously participating households. This is in spite of a number of emergency rules that have provided some exceptions for the requirement to meet approved work activities. The third step is one of longer duration and is attempting to account for the impact on reduced working hours and reduced wages on a number of households in the state that are income eligible. The net effect is for a decline that began in March 2020. The caseload drops a little below 21,000 in September of this year before levelling out for a while and then gradually increasing back up to about where the February forecast would have put it for late in this coming fiscal year. The June forecast revises the outlook for 2022 and 2023 in the next biennium, reflecting the impact of increased eligibility on the income side as well as increased TANF enrollment.

There are a number of risks to this forecast, most of which are tied to both economic and epidemiological uncertainties. It is possible that the duration of changes in behavior based on health concerns is going to be different from what is projected. This forecast relies on the preliminary June Economic and Revenue Forecast Council unemployment rate forecast to determine the duration of the steps for reduced applications and increased entries. Depending on how long the economic disruption continues, it is possible that the dip in Fiscal Year 2021 will be deeper, and have a higher longer-term impact.

Economic Services Administration

Aged, Blind, and Disabled Cash Grant

Dr. Shidong Zhang reported that the Aged, Blind, and Disabled Cash Grant caseload has been tracking well at about 0.5 percent below the February forecast. The June forecast is 3.5 percent higher than the February forecast for the 2019-21 Biennium. The main reason for the June forecast change is the COVID-19 impact. On the enrollment side, although there is an application increase, they cannot identify the enrollment increase because the eligibility criteria focus on age and disability, not on income and resources. Therefore, the economic situation has limited impact on the enrollment of this caseload. On the eligibility termination side, in the COVID-19 period, DSHS suspended many types of eligibility terminations, which resulted in a caseload increase. In addition to the COVID-19 impact, DSHS removed the mid-certification review for the Aged program starting July 1, 2020. This policy change will also increase the caseload.

Children's Services

Screened-in Reports

The Screened-In Reports caseload has been tracking on average 1.9 percent below the February forecast for the past 4 months. This program has very large volatility making it more difficult to produce an accurate forecast. The June forecast is on average 7.6 percent lower than the February forecast for the 2019-21 Biennium. This is mainly due to the state lockdown, school closures, and COVID-19. The caseload is expected to go back to the pre-COVID-19 caseload pattern after the state reopens.

Licensed Foster Care

The Licensed Foster Care caseload has been tracking 2.5 percent below the February forecast. The June forecast is 6.5 percent lower than the February forecast for the next biennium. Two main reasons account for this change. The first reason is COVID-19. There is a relatively stable relationship between

the screened-in caseload and Basic Foster Care & Receiving Care (BFCRC) entries, such that we can derive the COVID-19 impacts on BFCRC and Behavioral Rehabilitation Services (BRS) from the Screened-In Reports caseload forecast. The second reason is the caseload has a declining trend since the February forecast. BRS is a capacity-constrained program. There was a large increase in the BRS rate last October, but this rate increase only resulted in a temporary capacity increase and then enrollments resumed at the pre-rate increase caseload trend. For BFCRC, the DCYF and the CFC have been working closely to identify the reasons for the declining trend, and one of the possible reasons could be an expedited adoption process.

Medical Assistance

Adult Caretakers and Children

The Adult Caretakers and Children caseload has been tracking very well, on average 0.1 percent below the February forecast for the past 4 months. The June forecast is on average 3.4 percent higher than the February forecast for the 2019-21 Biennium due to COVID-19. On the entry side, unemployment is unprecedented in the COVID-19 period and resulted in more enrollments to this caseload. On the exit side, the Federal Families First Coronavirus Response Act (FFCRA) grants a 6.2 percent enhanced Federal Medical Assistance Percentage (FMAP) for states that continue coverage for anyone that has active coverage on March 18, 2020 through the end of the emergency period. To meet the FFCRA requirements, the Health Care Authority (HCA) decided to maintain client eligibility except for a few specific reasons in the COVID 19 emergency period. First, if the client is no longer a state resident, their eligibility can be terminated. Another reason that eligibility can be terminated is if the client decides to drop out. In the following years, COVID-19 will impact this caseload, and it is expected to eventually return to the caseload pattern before COVID-19.

Medicaid Expansion New Eligibles

The Medicaid Expansion New Eligibles caseload has also been tracking very well, on average 0.1 percent below the February forecast for the past 4 months. The June forecast is on average 8.1 percent higher than the February forecast. This caseload, like the Adult Caretakers and Children caseload, is a Modified Adjusted Gross Income (MAGI) caseload processed by the Health Benefit Exchange based on self-attested income. The majority of clients in this program are of working age from 18 to 64 years old. As such, this caseload is the most impacted medical program by COVID 19, and the high unemployment rate resulted in more enrollment to this caseload. On the exit side, to meet the FFCRA requirements, the HCA decided to maintain client eligibility except for a few specific reasons in the COVID 19 emergency period. In the following years, this caseload will be impacted by COVID 19, and it is expected to eventually return to the caseload pattern before COVID 19.

Aged, Disabled, and Other

The Aged, Disabled, and Other medical caseload has been tracking very well, but the June forecast is on average 1.5 percent higher than the February forecast for the next biennium because of COVID-19. This caseload is a classic medical caseload. To be eligible for the programs in this caseload, most of the clients must meet the age and disability requirements, in addition to the income and resource requirements. For example, this caseload is largely affected by federal disability approvals, appeals, and hearings; therefore, the new enrollments for this caseload are less impacted by higher unemployment due to COVID-19. On the exit side, to meet FFCRA requirements, this caseload also needs to maintain client eligibility except for a few specific reasons. This caseload will be impacted by COVID-19 mainly for FFCRA and SSI data. The caseload is expected to eventually go back to the normal caseload pattern before COVID-19.

Long Term Care Nursing Homes

Dr. Deschamps reported that the Nursing Homes caseload is on average 1.2 percent higher than the February forecast for the 2019-21 Biennium. This is primarily due to the elimination of the Nursing Home Discharge step in the 2020 legislative session. The discharge step was a policy enacted in the 2019 legislative session that assumed with dedicated FTE staff working towards transitioning nursing home clients into the community that the nursing homes caseload would drop. The nursing homes data has a significant lag in the actuals, so there is only official data through January, which is before the impact of COVID-19 hit nursing homes. However, the model is an entry/exit model that reflects tracking of preliminary data that is available through May. The new forecast does not officially incorporate those data, but it does track with those preliminary actuals that are lower. There will be mature data through June and preliminary data through September for the November forecast.

This is a high-risk area because the Long Term Care nursing homes forecast clients have been affected by COVID-19.

Approval of Forecasts

Absent a quorum, the members in attendance were not able to vote on the forecasts.

Recognition of Gongwei Chen

Dr. Deschamps announced that Senior Caseload Forecaster, Dr. Gongwei Chen, who has been with the CFC for 19 years, would be leaving the agency later this summer to pursue a new endeavor on the east coast. She expressed her gratitude for his leadership, innovation, encyclopedic knowledge of the criminal justice system, and to his dedication to the CFC and to public service. The Council members also expressed their gratitude to Dr. Chen for his service and wished him well on his new endeavor.

Dr. Chen thanked everyone and noted that it has been a privilege working at the CFC.

The meeting adjourned at 2:23 p.m.

The next meeting is scheduled for November 10 at 1:30 p.m.

APPROVED AND ADOPTED BY THE CASELOAD FORECAST COUNCIL



Senator Derek Stanford, Chair

11/29/2020

Date



Elaine Deschamps, Executive Director

12.17.2020

Date



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MINUTES

Caseload Forecast Council (CFC)
November 10, 2020
Webex Meeting

Members Present: Senator Derek Stanford, Chair
David Schumacher, Director/OFM, Vice Chair
Representative Steve Bergquist
Senator John Braun
Cheryl Strange, Secretary/DSHS
Representative Drew Stokesbary

Staff Present: Elaine Deschamps, Executive Director
Erik Cornellier, Deputy Director
Liz Dehlbom
Paula Moore
Erik Sund
Kathleen Turnbow
Shidong Zhang

Others Present: Rusty Fallis, Office of the Attorney General

CALL TO ORDER

Senator Stanford called the meeting to order at 1:34 p.m.

APPROVAL OF MINUTES

Representative Bergquist moved, Secretary Strange seconded, to approve the November 13, 2019, February 14, 2020, and June 17, 2020 minutes as presented. The motion carried unanimously.

EXTENSION OF THE CASELOAD SUPERVISOR'S TERM OF EMPLOYMENT

Secretary Strange moved to approve the Caseload Supervisor's term of employment by one year. Representative Bergquist seconded. The motion passed unanimously. Ayes: Representative Bergquist, Director Schumacher, Senator Stanford, Secretary Strange, Representative Stokesbary. Nays: None.

Senator Stanford noted that Dr. Deschamps is doing an excellent job. He added that he is glad to see her continue in the position and has full confidence in extending the term. Dr. Deschamps thanked the council for the extension of the term and added that it is a pleasure working with the council.

INTRODUCTION

Dr. Deschamps introduced new CFC staff member Liz Dehlbom to the Council. Ms. Dehlbom comes to the CFC from the Department of Corrections (DOC) where she spent eight years doing data analytics, research, and management. Ms. Dehlbom will be forecasting the CFC criminal justice forecast portfolio.

NOVEMBER 2020 FORECASTS

COVID-19 Overview

Erik Cornellier explained that the impact of COVID-19 on the forecasts is the biggest part of the change in all of the forecasts. He reviewed the following conceptual categories that comprise the COVID-19 Overview:

- **Federal Policies:** The main item in this category is a federal maintenance of eligibility requirement for Medicaid that is tied to the federal public health emergency declaration. The emergency declaration was extended and is now set to expire in January instead of October. Because the declaration remains in effect until the end of the month that it expires in, the effect on the caseloads is that ends in February.
- **State Policies:** In the prior forecast, this was tied to the reopening plan that had been in place at that time. Now there is a lack of specific information about when things might go back to a new normal for state policies. In the absence of any additional information, the forecasts are usually assuming a new normal starting in July 2021. The idea behind this is that sometime in the next few months things could go back to normal, but it also takes a few months for agencies to change their rules and processes.
- **Economic Downturn:** Generally, if there is a tie to unemployment or other economic indicators in the forecasts, that usually tracks the Economic and Revenue Forecast Council (ERFC) data.
- **Other Risks:** One big consideration in this category is the idea that demand from the client side could change if people do not want to be around other people or go places where the services are provided.

Mr. Cornellier also noted that an additional page was included with the COVID-19 Overview that lists the various COVID-19 Related state policy assumptions.

Forecast Overview

Dr. Deschamps noted that typically there is an even distribution between forecasts that are higher than June, lower than June, and negligible. For the November 2020 forecasts, there is a larger number of forecasts that are lower than June. The COVID-19 framework helps explain why there are forecasts that are lower than June disproportionately. Specifically with Fiscal Year 2021, most of the forecasts are lower, and some become higher in the next biennium. A July 2020 return to normal was assumed in the June forecast; however, with the pandemic being prolonged in nature, that return to a new normal is now projected to be around July 2021. Another factor is that for the June forecast, the May ERFC unemployment rate data was used, and that unemployment projection is now lower.

Education

Common Schools Enrollment

Paula Moore reported that Common Schools enrollment is down about 4.9 percent for the current year and down about 1.5 percent for next year. Running Start enrollment is on track, and Kindergarten is down about 15 percent. First, second, and third grades are down by about five to seven percent. Middle school is around three percent down, and high school is tracking about two percent down.

With the early grades, it is unknown if students who have not shown up for school are in private school or home school. Data for that is being collected, and will be reported back to the CFC hopefully by January. There might not be good data for both kindergarten and first grade because children are not required to attend school until age eight in Washington State. Some children may be in home school, but their parents might not have filled out the home school paperwork, which is required after age 8. Of the children in Kindergarten, many are expected to return as first graders next year, and others will likely be enrolling as Kindergarteners. Because of this, there will be an offsetting Kindergarten and first grade class that will ripple through for the remainder of their time in school. Of the children that have not enrolled this year that were expected to enroll, about 97 to 98 percent of are expected to come back next year.

Ms. Moore explained that it is assumed the decline in enrollment is due to uncertainty related to COVID-19 and remote/hybrid learning. With a vaccine being likely and allowing more in-person contact to start up by next summer, 97-98 percent of students are expected to return. A full return is not expected because some families might decide to continue with home school, and there is always a shift with particular grade levels.

Special Education

Ms. Moore pointed out that there is a natural dip in both the June and the November forecasts because the Legislature transferred the Special Education Birth to Age 2 program to the Early Support for Infant and Toddlers (ESIT) program. There are now two programs in the Special Education forecast, and the forecast is down about 6.9 percent. The Special Education Age 3 to Pre-K program is down 13.3 percent, which is in line with some other programs where the youngest students are not attending in person. Some students are not engaging in remote learning, and there is a decline in referrals are because children are not necessarily visiting their pediatricians. Age and grade data for the rest of the caseload population is expected in the next few months.

Bilingual Education

Similar to the Special Education caseload, there is a 6.3 percent decline in Bilingual Education this year, and it is expected to be flat next year. A large part of the decline is thought to be related to children who are waiting a year to enroll in Kindergarten. The forecast is on track for the next biennium, and that is because even though it is going to dip down, the length of stay is expected to be longer next year given the different learning options right now. Because it is likely that students are going to be in the program longer, the caseload will be flat, and it will bounce back up and be about the same rate for the next two years after that. The After-Exit Program is forecast to decline ten percent over the next two years because of fewer exits assumed.

Charter Schools

Charter Schools are tracking 15.1 percent below forecast; however, a portion of that is because some of the schools that were set to open this year declined to open and will be opening next year. Some of the schools that were set to open revised their budget down, contributing to the drop in the caseload. Some Charter Schools that have been operating for a number of years are tracking 9.3 percent down as well. It is assumed that many students will come back next year. There are also four additional schools that have been authorized to open next year. Ms. Moore cautioned that this forecast would continue to change. The Washington State Charter Schools Commission will be reviewing applications in December for additional schools that may open, if approved, in the 2022-23 school year.

College Bound Scholarship Program (CBSP)

The CBSP is a financial aid program for students who have signed a pledge in the eighth grade and have graduated. There is a time limit for how long they are eligible. The caseload is tracking 1.6 percent higher because of improved actuals from last year and a higher graduation of the students who were in last year's cohort and graduated in May. The caseload is projected to be about 1.1 percent lower next biennium.

Washing College Grant (WCG)

Ms. Moore explained that the WCG is a brand new entitlement. For the June forecast, they were relying on the ERFCL unemployment numbers that were released in May and were quite high, not only for the current academic year, but for future years as well. The September numbers are substantially lower. This matters because attendance in college is highly correlated with unemployment in that when you are above the age of 24 you are likely to return to college if you are unemployed. When the unemployment rate was high, it was assumed that once a vaccine was available there would be more of a classic economic response to a recession, and there would be a large demand for financial aid by people over the age of 25. The unemployment assumptions for Washington State have dropped substantially, which explains the big difference in this forecast. The age 25 and older population will be less likely to attend college because it will be easier to find a job.

Early Support for Infants and Toddlers (ESIT)

The ESIT caseload is tracking 12 percent below the June forecast for Fiscal Year 2021. The significant reasons are the lack of referrals and lack of uptake of engaging in services. This correlates with a decline in pediatric services and vaccinations. Although pediatric referrals have partially recovered, the forecast assumes there will not be a full recovery until a COVID vaccine is available. It is assumed that in the outer years there will be fewer babies born, which will lower the incidence while the demand for ESIT will go up as a percentage of the population. It is thought that there is going to be enough of a drop in the population at that age that the forecast was lowered.

Early Childhood Education and Assistance program (ECEAP)

Erik Sund reported that the November forecast for ECEAP is on average 5.9 percent lower than the February forecast for the 2020-21 school year and 5.6 percent lower than the June forecast for the same period. In the next biennium, it is 3.3 higher than the June forecast, and that breaks down to being just about flat in the 2021-22 school year and 5.9 percent higher in the 2022-23 school year. Actuals have tracked on average about 1 percent above the June forecast, but they do contain the off-peak summer months. Data for August and early data for September suggest that there is a slow start to the program in the coming school year, and it may ultimately be lower, so that is why the 2020-21 school year forecast is down. In the 2021-22 school year, it is about the same. In the 2022-23 school year, when the program is scheduled to become an entitlement program, the forecast is up. That is based primarily on an increase in the assumed rate at which otherwise eligible children will be below the income threshold to participate.

The risks to this forecast are moderate. While this has been a relatively stable caseload, there is some risk associated with the pandemic conditions and health concerns that people simply will not participate at the same level as the entitlement period in the 2022-23 school year approaches. There is also a risk that there will be a different level of income eligibility than what was assumed and may or may not have captured the most likely outcome.

Corrections

Adult Inmate

Liz Dehlbom reported that the November forecast for the Adult Inmate caseload is on average 9.1 percent lower than the June forecast for the 2021-23 Biennium. Actuals have been tracking 460 cases or 2.8 percent below the June forecast and have continued to decrease since the initial prison reduction efforts by the DOC in the spring. The current trend is driven largely by a reduction in new admissions, as COVID-19 has caused a reduction and delay of prosecution and sentencing. The November forecast assumes there will be no significant change in the public health guidelines related to the criminal justice system through Fiscal Year 2021 and therefore the caseload will continue to decline slightly during this period. After this, the caseload is expected to increase by about 1,000 as the courts clear the case backlog. Due to uncertainty about the timeline for changes in the public health guidelines, and because it is unknown how large the case backlog in the courts will be, the risk to this forecast is high.

Contact Required Community Supervision

The November forecast for the Contact Required Community Supervision caseload is on average 0.6 percent lower than the June forecast for the next biennium. Actuals have been tracking on average 1,000 cases or 4.8 percent below the June forecast. The caseload has remained relatively stable for the last five months. The caseload's current trend is driven by a decrease in admissions from new court sentences due to COVID-19, and the decrease has been offset by prison releases to supervision. These releases have remained at normal levels since the spring and have not been largely impacted by the pandemic. The November forecast incorporates a step adjustment for legislative changes passed in the 2020 session, namely HB 2393 related to supervision compliance credits and HB 2394 related to concurrent sentences. These changes are expected to reduce the supervision caseload by about 4,000 by Fiscal Year 2023. The November forecast assumes that there will be no significant change in public health guidelines through the fiscal year and therefore the caseload will decline with the implementation of the aforementioned bills before returning to its previous growth trend as courts clear the case backlog. Risks to the forecast include the same as the Adult Inmate forecast, including the timeline related to changes in public health guidelines and the court backlog. This forecast additionally has a very large legislative step adjustment, which adds an extra layer of risk.

Public Assistance

Temporary Assistance for Needy Families (TANF)

Erik Cornellier reported that the TANF forecast is on average 6.4 percent lower than the June forecast for the next biennium. The main changes are that at the beginning of the pandemic time limits were suspended, and there were exemptions created for participation requirements in TANF. The forecast assumes that both of those policies are reversed in July of next year and those clients exit the caseload.

Working Connections Child Care (WCCC)

Erik Sund reported that the WCCC November forecast is on average 5.9 percent lower than the June forecast for Fiscal Year 2021 and 5 percent higher for the coming biennium. That translates into no substantial change for Fiscal Year 2022 and a 10.3 percent increase in Fiscal Year 2023. Actuals have been tracking on average 67 cases or 0.3 percent above the June forecast; however, some of the early data for applications and exits from the program suggest that there will be a continued decline in participation for longer than was forecast in June. Consequently, there is a reduction in the Fiscal Year 2021 forecast compared to June. In Fiscal Year 2023, there is an increase based on an assumption that there will be larger numbers of households that are eligible due to lower income and a wider availability of both employment and other training activities that qualify for participation in the

program. The risks to this forecast are numerous and substantial. The biggest risk may be not having accurately captured the scale of disruption to participation this fall and winter due to health concerns in the pandemic. There are step adjustments that try to account for that and for changes in employment levels; however, those adjustments may be off, and it is possible that the increase in the Fiscal Year 2023 caseload is subject to the same outcome of having been over-estimated.

Economic Services Administration

Aged, Blind, and Disabled Cash Grant (ABD)

Dr. Shidong Zhang reported that the ABD caseload has been tracking 1.9 percent below the June forecast for the past 9 months. The November forecast is 1.5 percent lower than the June forecast for the next biennium. The June forecast incorporated a variety of Department of Social and Health Services (DSHS) policy changes related to the pandemic. Most of the policy changes were related to suspension of eligibility terminations and the lax application requirements; however, the June forecast did not anticipate a significant drop in new enrollments over the past several months due to COVID-19. The CFC is working with the agency to identify reasons for the reduced entries. The November forecast modified the June forecast based on the new data to reflect the entry changes and assumes a return to normal in July 2021.

Medical Assistance

Adult Caretakers and Children

The Adult Caretakers and Children caseload has been tracking 1.4 percent below the June forecast. The November forecast is 1.1 percent lower than the June forecast for the next biennium. The November forecast change is mainly due to progression of the COVID-19 impact and related policy changes at both the federal and state levels. In the June forecast, it was assumed that the March and April entry jumps in the Categorically Needy (CN) Adult Caretakers and CN Children programs were due to high unemployment at that time. Data in later months suggested that the March and April entry jumps were likely due to the Health Benefit Exchange special enrollment period. As such, the June forecast overstated the unemployment impacts on new enrollments to this caseload in this fiscal year. Another important change is the extension of the federal Public Health Emergency period from September 2020 to January 2021. If there are further extensions of the Public Health Emergency period, there may be larger forecast variances for not only this caseload but also all of the other medical caseloads. This is because the Health Care Authority has limited ability to terminate client eligibility under the Federal Families First Coronavirus Response Act. This is a big risk to this forecast.

Medicaid Expansion Low Income Adults

The Low Income Adults forecast has been tracking 1.8 percent below the June forecast for the past 4 months, and the November forecast is essentially the same as the June forecast for the next biennium. This caseload, like the Adult Caretakers and Children caseload, is a Modified Adjusted Gross Income caseload. The reasons for the November forecast change are that the November forecast assumes less unemployment impact on entries and the Public Health Emergency period ending month is extended from September 2020 to January 2021. Staff will be watching what happens in the current Health Benefit Exchange Open Enrollment period starting from November 1 to December 15, because this is very important to the performance of the November forecast.

Aged, Disabled, and Other

The Aged, Disabled, and Other forecast has been tracking 0.8 percent below the June forecast for the past 5 months, not including about 3,000 clients whose eligibility reinstatements are pending at the time of the November forecast. Otherwise, the variance would be much smaller. The November forecast is 0.9 percent lower than the June forecast for the next biennium. The June forecast assumed no unemployment impact on this caseload, and this assumption is consistent with what happened in the past months. The significant change in the November forecast is an extension of the Public Health Emergency period ending month from September 2020 to January 2021. This assumption will determine the performance of the November forecast.

Long Term Care

Nursing Homes

Dr. Deschamps reported that the Nursing Homes caseload is on average 5.5 percent lower than the June forecast for the 2021-23 Biennium. The Nursing Homes caseload has been significantly impacted by the COVID-19 pandemic. What we see in the entry and exit data is that there are both reduced entries and increased exits. The increased exits by far outweigh the reduction in entries in terms of what is driving the caseload decline. In the last several months, there has been a stabilization of the caseload, and the forecast model assumes that as of May 2021 the return to normal, or a new normal, will begin and gradually take place over the course of twelve months. At that point, the forecast will resume the slope and seasonality of the prior forecast or the pre-pandemic forecast. There are significant risks with this forecast. The begin date to return to normal assumes some availability of vaccine for high priority populations which include nursing home clients as well as health care workers.

DDA Service Request List

Dr. Deschamps presented the DDA Service Request List. The list is part of a new requirement for the Caseload Forecast Council per ESSSB 6040. The list includes information about those clients specifically who are assessed as eligible for and have requested services through the Individual and Family Services Waiver and the Basic Plus Waiver.

Approval of Forecasts

Representative Bergquist moved, Secretary Strange seconded, to approve the forecasts as presented. The motion carried unanimously.

Office of Financial Management State Population Forecast

Mike Mohrman, State Demographer, and Rob Kemp, Senior Forecast Analyst, from OFM presented the state population forecast.

The meeting adjourned at 2:29 p.m. The next meeting is scheduled for February 12 at 1:30 p.m.

APPROVED AND ADOPTED BY THE CASELOAD FORECAST COUNCIL



Senator Derek Stanford, Chair

3/9/2021

Date



Elaine Deschamps, Executive Director

4/1/2021

Date