



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

MINUTES

Caseload Forecast Council (CFC)
February 11, 2022
Webex

Members Present: Senator Derek Stanford, Chair
Director David Schumacher, OFM, Vice Chair
Representative Steve Bergquist
Secretary Jilma Meneses, DSHS
Representative Drew Stokesbary
Senator Lynda Wilson

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

Others Present: Evelyn Fielding Lopez, Office of the Attorney General

CALL TO ORDER

Director Schumacher called the meeting to order at 9:01 a.m. and determined that a quorum was present.

ELECTION OF CHAIR

Director Schumacher called for nominations to elect a chair of the council. Representative Bergquist nominated Senator Stanford. Director Schumacher seconded the motion. No further nominations were submitted.

Representative Bergquist moved, Director Schumacher seconded, to elect Senator Stanford as chair. The motion carried unanimously.

Senator Stanford thanked the council members and stated that he was very pleased to continue as chair.

EXECUTIVE SESSION

The Council went into executive session at 9:05 a.m. for a public employee performance review. The regular meeting was reconvened at 9:24 a.m.

EXTENSION OF THE CASELOAD SUPERVISOR'S TERM OF EMPLOYMENT

Senator Stanford moved to extend the caseload supervisor's term of employment by one year to November 2024 and increase the salary by five percent effective February 16, 2022. Director Schumacher seconded.

Senator Stanford stated that Director Deschamps has been doing an excellent job and has navigated the pandemic very skillfully while this has been a challenge to forecasting. She has also done an excellent job of retaining high-quality employees through this process and has kept everything running smoothly.

Senator Stanford moved to extend the caseload supervisor's term of employment by one year to November 2024 and increase the salary by five percent effective February 16, 2022. Director Schumacher seconded. The motion carried unanimously.

APPROVAL OF MINUTES

Senator Wilson moved, Senator Stanford seconded, to approve the November 9, 2021, meeting minutes as presented. The motion carried unanimously.

FEBRUARY 2022 FORECAST OVERVIEW

Dr. Deschamps thanked the Council for their recognition of the work of the CFC and of her team and stated that she is proud to continue in the capacity of Executive Director.

Dr. Deschamps explained that the forecast overview shows the February forecasts in comparison to the November forecasts in terms of direction and magnitude of change. Some forecasts are higher than the November forecast, some are lower, and some are negligible. In these presentations, they like to focus on the forecasts that are either higher or lower than the previous forecast. For this forecast cycle, there are more forecasts that are lower than the November forecast. The primary reason for this, although the explanations vary by program area, is that they are continuing to see dampening caseloads as a result of the pandemic. In the June forecast, they assumed a beginning of a return to a new normal, and then the Delta variant hit. Then they presented the November forecast, and the Omicron variant hit. They continue to deal with the challenges of forecasting during Covid, but she is very grateful for her team and the work they are doing during this time.

Dr. Deschamps noted that Medicaid is the big driver of the forecast change from November to February. The tracking of the November forecast against actuals shows that the November forecast is tracking within 0.2 percent, or 4,000 clients out of 2.1 million. The uncertainty they have around the forecast and the two main assumptions that have changed are with respect to the Public Health Emergency (PHE). The first assumption that changed from November to February, which accounts for two-thirds of the forecast change, is the extension of the PHE end date from January of 2022 to June of 2022. That is a pretty big change, and it highlights the uncertainty they have around this forecast with respect to federal decisions about the PHE. The second change is related to the timeline for HCA to complete redeterminations of eligibility. Once the PHE ends, the HCA is going to need to go through many cases and do a redetermination of eligibility. In the November forecast they assumed this would

take the HCA six months; in the February forecast they are assuming that it will take 12 months to process those cases.

Education

Common Schools Enrollment

Paula Moore reported that the Common Schools Enrollment forecast is tracking closely to the November forecast. The February forecast assumes a shift in the enrollment trajectory and that most of the students that left K-12 are not going to necessarily return. Rather than a bounce back, traditional year-over-year growth patterns are expected going forward. A growth rate of about 0.6 percent is assumed for next year because students continued to leave from last school year to this school year. Additional data showed that while home schooling doubled last year, it is still approximately 10,000 students above, and most of those students were absorbed by private schools this year.

Running Start came in lower this year and continues to come in lower than forecast. It's about 4,000 kids under from prior years. That is consistent with what they have seen with students choosing more traditional high school experiences right now, rather than the alternative programs that are available through Running Start and Open Door.

Special Education

Paula Moore reported that the Special Education forecast is up slightly at 0.8 percent for the 2021-23 Biennium. K-21 is tracking fine, but the preschool program is up. Preschool started lower this year, but the month-over-month rate of increase is back to pre-pandemic rates of increase pulling the Special Education forecast up.

Bilingual Education

Paula Moore reported that the Bilingual Education forecast is up 1.9 percent. October data came in and was revised moving the forecast up. Grades 7-12 are tracking normally, and grades K-6 are higher. A new screener was implemented, and they think there was a delay in the reporting getting in for the November forecast which brought the forecast back up. There are a lot of risks with Bilingual. There is a lot of flux and uncertainty with federal immigration policy, people moving into the state, and with the state implementing a new test. All of these can impact Bilingual, and they are all happening at once, so there is some uncertainty with this forecast.

College Bound Scholarship Program (CBSP) and Washington College Grant (WGC)

Paula Moore explained that two types of data are used for the CBSP and WCG forecasts. Fall enrollment data helps address this year. Free Application for Federal Student Aid (FAFSA) data is received in the fall, which is when they start to see the interest in attending college next year.

College Bound Scholarship Program (CBSP)

The CBSP is tracking closely to forecast, but when they look at next year, the FAFSA application rates among high school seniors have declined, so they are pulling the forecast down for next year. As a net, it is 0.8 percent lower. They think between the labor market, because the capacity to get a job right now is higher than it has been, and the insecurity about going to college, they are seeing less interest. Unlike in the great recession, the ability to get a job is high and the labor market participation rate for teens is going up, so that pulls the forecast down.

Washington College Grant (WCG)

The WCG forecast is down 2.3 percent for this year and down 5.1 percent for next year. There are a couple of reasons why it is higher than the CBSP. The first reason is that they have the traditional college grant program (formerly the State Need Grant), and they have a long history of data for 70 percent and under of students in that income category of the median family income. They don't have a long history for 71 to 100 percent, and that's where the variance is. The traditionally served group is tracking somewhat closely to the CBSP; it's the expansion group that is coming in under. They are seeing that same pressure from the economy, and they are not seeing adults and high school students enter at the same rates, so they are assuming a drop again in this forecast as well. Long term, there are more baby boomers leaving the economy, so there's more opportunity for younger people to go straight to the workforce.

Early Childhood Education and Assistance (ECEAP)

Erik Sund reported that the February forecast for ECEAP is on average 1.4 percent lower than the November forecast for the biennium. The June forecast had assumed that the operation of this program would return to something like historical norms for the 2021-22 school year, but that turned out not to be the case, so the November forecast was revised substantially to reflect that. There is a smaller adjustment that reflects both actuals tracking a little below forecast in October and November and the expectation that the impact of the Omicron wave in December and January would put a pause on rebuilding the program and increasing enrollment. The forecast continues to assume that the caseload will increase over the remainder of the school year before tailing off in the summer. For the 2022-23 school year, the forecast is unchanged and becomes the new standard bearer for normal operations to return to something like historical enrollment in the program. The risks for this program remain high barring substantial change in the outlook for the pandemic. The 2022-23 school year forecast should be a lower-risk item, but over the remainder of the year it remains to be seen exactly how much capacity can be built back in as the school year progresses.

Juvenile Rehabilitation (JR)

Liz Dehlbom reported that JR actuals have been tracking, on average 2.2 percent above the November forecast. After being near even for four months, the caseload declined again in December. Declines were expected with continued low admissions which continue to be depressed for both juvenile and adult commitments even compared to the pandemic average. Despite tracking well, the February forecast is 10.5 percent lower than the November forecast for the 2021-23 Biennium. That's because the forecast assumed that admissions will remain at low levels for the next three months while several courts have paused some in-person operations due to increased Covid case counts in the community. The forecast also extends the timeline for the courts to clear the case backlog by an additional year through FY 2024 to account for slower than expected court throughput that's been experienced. Risks to the forecast are high and are primarily that it's unknown how large the adult case backlog will be and that the timeline for the courts to increase capacity and process both new and backlog cases is still quite in flux.

Corrections

Adult Inmate

Liz Dehlbom reported that actuals for the Adult Inmate caseload have been tracking, on average, 0.5 percent below the November forecast. The caseload experienced a slower decline in the last 4 months compared with earlier in the Covid-19 period. The slowing of the decline in recent months is reflective of the smaller number of admissions from the last two years now reaching the end of their sentence, so fewer releases are happening. The current forecast delays the timeline for admission increases by

two months while some court operations are diminished and extends the timeline for courts to clear the case backlog by an additional year through FY 2025. This results in the February forecast being 1.9 percent lower than the November forecast for the biennium. Risks to the forecast are high and are similar to the JR caseload.

Contact Required Community Supervision

Liz Dehlbom reported that actuals have been tracking about 1.9 percent above the November forecast, but the variance has been growing in the last couple of months. The caseload experienced a slower decline in the last four months like the Adult Inmate caseload. Several legislative and policy changes implemented in 2021 continue to put downward pressure on the caseload. These changes include concurrent supervision terms, supervision compliance credits, and the Supreme Court decision in *State v Blake*. Like the inmate caseload, the forecast delays the timeline for caseload entry increases for the next two months and then slows that increase over the current fiscal year. This results in the February forecast being 3.3 percent lower than the November forecast for the 2021-23 Biennium. Risks to the forecast are high and have the additional uncertainty that comes with the implementation of very large policy changes.

Community Custody Violator

Liz Dehlbom reported that the February forecast for Community Custody Violators is 17.9 percent lower than the November forecast for the biennium. Actuals have been tracking 23 percent below the November forecast. The caseload's sharp decline over 2021 stalled at the end of the year. In November of 2021, the Department of Corrections (DOC) began phasing out some of the temporary practice changes that have been in place since the beginning of the pandemic, and the agency had expected to implement the final phase-in to fully revert to pre-pandemic procedures in January of 2022, but due to the sharp rise in Covid cases in the community, this was pushed back until March. The forecast assumes that the violator caseload will grow once normal DOC operations have fully resumed. Risks to the forecast are primarily the timing of DOC returning to pre-pandemic procedures and related challenges. This continues to be the primary reason for the forecast variance as well as the change.

Public Assistance

Temporary Assistance for Needy Families (TANF)

Erik Cornellier reported that the TANF forecast has been tracking about 1,400 cases higher than the November forecast. This is primarily due to the expiration of enhanced federal unemployment benefits in September of last year. When they did the November forecast, they only had a partial data point of this effect. They assumed there would be more clients coming in, but they didn't capture all of them. They were also assuming there would be Afghan refugees that would come into the state, and they were too high in their estimates of that in November. The big reason for the increase in TANF now is because of the new cases coming in due to the loss of federal unemployment benefits. That leaves the forecast 6.1 percent higher than the November forecast for the biennium.

Working Connections Child Care (WCCC)

Erik Sund reported that the WCCC forecast for February is on average 3.4 percent lower than the November forecast for this biennium. Actuals have been tracking the November forecast well, but there is a little divergence in October. The forecast anticipates a pause in caseload growth in December and January at the peak of the Omicron wave and early data suggest that is going to come to pass. Additionally, there is an adjustment to the timing of a step adjustment associated with the Fair Start for Kids Act having to do with work requirement exemptions for student parents. Early data are showing that is not contributing to caseload growth at the rate that was initially estimated, so that addition also impacts the forecast. With the pandemic hopefully fading into the background soon, the biggest driver of risk to this forecast is the substantial scale of the magnitude of the step adjustments associated with the Fair Start for Kids Act and concerns about system capacity and the tight labor market in terms of the overall childcare system.

Children's Services

Licensed Foster Care

Erik Sund reported that the forecast for Licensed Foster Care is on average 2.8 percent lower than the November forecast for the 2021-23 Biennium, but he is forecasting an increase in the caseload by the end of the biennium. There are a couple of reasons for the assumed lower rate of growth. Both the Basic Foster Care and Behavioral Rehabilitative Services (BRS) caseloads were declining prior to the pandemic, and the decline accelerated with the onset of the pandemic. On the BRS side, there is reason to believe that there are restraints on the provider side of the caseload, and the system is short of capacity. This forecast reflects a more conservative approach to how quickly the capacity can be built back into the system given the tight labor market. Presumably, in the short term some disruptions will show up in December, January, and February due to the Omicron wave.

Medical Assistance

Adult Caretakers and Children

Dr. Shidong Zhang reported that the Adult Caretakers and Children caseload is tracking almost right on over the past four months with less than 0.1 percent variance for every month. However, the February forecast is on average 3.7 percent higher than the November forecast for the 2021-23 Biennium. The main reason for the large forecast change is that the February forecast updated two critical assumptions. First, the February forecast extended the assumed Public Health Emergency (PHE) ending date from January 16, 2022, to June 30, 2022. In the PHE period, the Health Care Authority (HCA) cannot terminate a client's eligibility except for a few exemptions according to the Families First Coronavirus Response Act (FFCRA). The exemptions include that a client is no longer a Washington state resident or if a client voluntarily requests to terminate eligibility. The PHE extension results in a continuous accumulation of the caseload, but it also reduces new enrollments and the related potential client pool. The changes of the PHE ending date assumptions are also the primary reasons for prior forecast changes in the pandemic period. The second reason for the change is that the February forecast extends the post-PHE eligibility redetermination completion time from 6 months to 12 months. After the PHE, the HCA will start to process the accumulated cases according to federal requirements. The longer processing time assumption resulted in a higher caseload forecast.

The risks to this forecast are high because of the uncertainties of the Covid-19 impact and the corresponding economic and policy impacts, especially the uncertainties of the PHE ending time and the post PHE eligibility redetermination processing time.

Low Income Adults

Dr. Zhang reported that the Low Income Adults caseload is tracking less than 0.5 percent above the November forecast over the past 4 months, but the February forecast is on average 9.4 percent higher than the November forecast for the 2021-23 Biennium. Like the Adult Caretakers and Children caseload, the main reason for the large forecast change is that the February forecast updated the two critical assumptions, which are an extended assumed PHE ending date from January 2022 to June 2022 and extending the post PHE eligibility redetermination completion time from 6 months to 12 months.

Medical Assistance

Aged, Disabled, and Other

Dr. Zhang reported that the Aged, Disabled, and Other caseload is also tracking almost right on for the last four months. The February forecast is on average 1.4 percent higher than the November forecast for the 2021-23 Biennium. The main reason for the forecast change is the same as the prior two medical forecasts which are extending the PHE ending time and the longer post-PHE eligibility redetermination completion time.

Long Term Care

Nursing Homes

Dr. Zhang reported that the Nursing Home caseload is tracking 1.1 percent below the November forecast over the past 3 months. The February forecast is on average 1.9 percent lower than the November forecast for the 2021-23 Biennium. This caseload has been hit hard by Covid-19. Many clients left nursing home facilities in the first two pandemic waves around April 2020 and January 2021. However, the impact of the Delta pandemic wave is smaller than prior waves. As in prior forecasts, the assumption of the caseload to rebound to the pre-pandemic normal is pegged to the PHE because the PHE reflects the federal government's belief of the pandemic situation. The February forecast change reflects the extension of the PHE ending date assumption from January 2022 to June 2022.

Developmental Disabilities Administration (DDA) Personal Care

The DDA Personal Care Services caseload is tracking 2.1 percent below the November forecast over the past 3 months. The February forecast is on average 2.5 percent lower than the November forecast for the 2021-23 Biennium. The Agency Provider caseload has stabilized at a lower level after an initial Covid-related exit spike in April 2020. The Individual Provider caseload shows significant exit jumps related to Covid waves around April 2020 and January 2021 in addition to a relatively smaller Delta variant wave that was not assumed in the November forecast. The forecasts for Adult Family Homes and Adult Residential Centers are consistent with the prior November forecast.

Approval of Forecasts

Director Schumacher moved, Senator Stanford seconded, to approve the forecasts as presented. The motion passed unanimously.

Senator Stanford thanked the forecasters for their work on the forecasts. He acknowledged that it has been an interesting time to deal with the data and to track federal and state policy. He thanked staff for helping the council do their work and helping them with the budget planning process as well.

Next Meeting

The next meeting is scheduled for June 15, 2022, at 1:30 p.m.

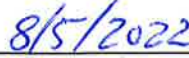
Prior to adjourning the meeting, Senator Stanford welcomed new council member Jilma Meneses, DSHS Secretary, and new AAG to the council, Evelyn Fielding Lopez.

The meeting adjourned at 9:56 a.m.

APPROVED AND ADOPTED BY THE CASELOAD FORECAST COUNCIL



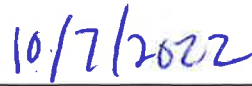
Senator Derek Stanford, Chair



Date



Elaine Deschamps, Executive Director



Date



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

MINUTES

Caseload Forecast Council (CFC)

June 15, 2022

Teams

Members Present: Senator Derek Stanford, Chair
David Schumacher, Director/OFM, Vice Chair
Representative Steve Bergquist
Jilma Meneses, Secretary/DSHS
Senator Lynda Wilson

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

Others Present: Evelyn Fielding Lopez, AAG/Office of the Attorney
General

CALL TO ORDER

Senator Stanford called the meeting to order at 9:00 a.m. and determined that a quorum was present.

EXECUTIVE SESSION

The Council went into executive session at 9:01 a.m. to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. The regular meeting was reconvened at 9:18 a.m.

APPOINTMENT OF THE CASELOAD SUPERVISOR

Senator Stanford explained that the Council was looking at potentially appointing Erik Cornellier, the current Deputy Director, as the new CFC Executive Director with the expectation that the current Executive Director, Elaine Deschamps, would continue with the agency.

Senator Stanford moved to appoint Erik Cornellier as the Caseload Supervisor for a period of three years beginning August 1, 2022, with compensation set at \$164,000 per year. Representative Bergquist seconded the motion.

Senator Stanford stated that Mr. Cornellier would bring a wealth of experience to the position as he has been with the agency for about six years, and he has a strong institutional knowledge of how the caseload forecast process works. He added that having the current Executive Director, Elaine Deschamps, continue with the agency would assist greatly with the stability of the agency and help to ensure continued high-quality performance.

The motion passed unanimously.

Senator Stanford congratulated Mr. Cornellier on his upcoming transition to the Director of the CFC, and he commended Dr. Deschamps for the wonderful service she has given as the Director of the CFC. He noted that there has been national recognition of her abilities, that she has provided a tremendous service to the state, and she has helped the Council plan for the future.

Dr. Deschamps stated that it has been a pleasure and a joy to serve as the Executive Director of the CFC, and she is very excited to remain with the agency. Out of her 25 years of public service, she has spent 20 of those years with the CFC. She noted that she is excited to pass on the torch to Erik Cornellier. She said she is grateful for the continuity of leadership that the CFC will have and the strong position the agency will be in, and she thanked the Council for appointing Mr. Cornellier as the Executive Director.

APPROVAL OF MINUTES

Director Schumacher moved to approve the February 11, 2022, meeting minutes. Senator Stanford seconded the motion and noted a typo at the top of page four that needed to be corrected.

The motion passed unanimously to approve the minutes as corrected.

JUNE 2022 FORECAST OVERVIEW

Dr. Deschamps introduced the newest CFC employee, Dr. Webb Sprague, who joined the CFC forecasting team on June 1. Dr. Sprague comes to the CFC from the DSHS Economic Services Administration where he was the TANF Budget Manager. Prior to that, he did childcare research at DSHS, and he has also worked in the OFM forecasting unit. He has expertise in demography as well as data mining experience in childcare and public assistance data and TANF forecasting.

Dr. Deschamps reported that the June forecast overview shows an even distribution of forecasts that are either higher than the February forecast, lower than February, or negligible. She explained that during COVID, they had more forecasts that were coming in lower than the prior forecast, but they like to see an even distribution of forecasts that are higher and lower, to the extent they can. For the June forecasts, the main driver of the higher forecasts is in Medicaid due to the Federal Public Health Emergency (PHE) being extended to October 2022.

Education

Common Schools Enrollment

Paula Moore reported that the assumptions in both the November and February forecasts for K-12 remain, and the forecast is tracking well. A slight rise of around 600 students is expected next year in the Running Start program due to inflation. They also are seeing more students engage in Open Door, which is the alternative high school drop-out recovery program. The program had previously declined, and they expect it to increase by about 400 students.

Bilingual Education

The Bilingual Education forecast is tracking well, but it is going to increase next year. They expect it to increase by 1.7 percent overall, but it will increase 3.2 percent next year. This is mainly due to a step for an assumed increase of around 3,600 Ukrainian refugee children who will enter the Bilingual program next year. Age distribution of the children is not currently known, but they will have more data in the fall.

Overall Trends for Higher Education Financial Aid Forecasts

For the higher education financial aid forecasts, high inflation and the tight labor market have created a high opportunity cost to go to college, especially for low-income families. Fall enrollment numbers are not available because those are always lagged, but they do have Free Application for Federal Student Aid (FAFSA) applications. Overall, the slide of seniors looking ahead to go to college is hitting the bottom and may be starting to go up a little bit, but continuing students are declining further for both traditional college-age children and some continuing adults. Adult entries are also declining. Earlier in the year the FAFSA process was complicated with delays, but those delays aren't there anymore. They are just seeing a real drop-off in interest both in Washington State and nationally.

College Bound Scholarship Program (CBSP)

The CBSP is expected to drop by 5.1 percent next year, and the forecast will be lower by 3.3 percent over the 2021-23 Biennium. This population is more constrained because of the requirement to pledge as a resident in middle school and to graduate from high school, so these are people who live in Washington State and have been here for a while.

Washington College Grant (WCG)

The WCG population is larger. There is no age requirement for this program, and graduation from a Washington State high school is not required. This caseload is expected to drop 4.3 percent for the 2021-23 Biennium and will drop 8.4 percent next year. This is mainly due to a combination of students not continuing and the impact of adult learners not engaging because the labor market is so tight.

Early Support for Infants and Toddlers (ESIT)

The ESIT forecast is, on average, up 3.8 percent for the 2021-23 Biennium, and it is expected to be up 5.1 percent next year. This program serves the birth-to-three population. They are seeing in the age data that it was the two- to three-year-olds that had previously dropped off, and that is coming back. They are seeing families engage in services now, so they think it has moved past the COVID drop and is back to normal trajectories. The Special Education pre-school program is also seeing a similar uptake.

Corrections

Adult Inmate

Liz Dehlbom reported that for the Adult Inmate caseload, actuals have been tracking, on average, only two cases below the February forecast. The caseload experienced its first month of increase for the COVID-19 period in March. This came as county court orders pausing some in-person proceedings expired in late February and early March. These expirations resulted in a spike of cases being resolved immediately after that; however, the courts continue to have constrained capacity to process new and backlogged cases compared to pre-pandemic. They are assuming that the courts will continue to increase their capacity to resolve pending cases over the next year and will clear any of the case backlog by FY 2025. Transitioning to this court growth trend results in the June forecast being 2.3 percent higher than the February forecast for the 2021-23 Biennium.

The risks to the forecast are still high mainly due to the ultimate size and timeline of the case backlog being relatively unknown, as well as the uncertainty around how much of the changes experienced during the pandemic will persist into the future. This applies to the criminal justice system overall.

Contact Required Community Supervision

The Community Supervision forecast has a similar narrative where the actuals have been tracking relatively well at 0.3 percent above the February forecast. This caseload also experienced its first increase in March after 16 months of decline, and it continued to grow again in April. The recent growth has primarily been in a subset of individuals coming to supervision directly from the courts, rather than an increase in releases from prison. This increase from the court mirrors the timing of the increase from inmate admissions as the court pauses expire. These supervision entries are elevated from the winter but are still well below pre-pandemic levels. The forecast incorporates updated step adjustments based on recent data for the legislative and policy changes implemented in 2021 that continue to put large downward pressure on the caseload. For the current forecast, the recovery assumption mirrors that of the Inmate caseload, assuming that the courts will increase throughput of resolved cases over the next year, and the Supervision caseload will begin to grow as a result into FY 2024. Moving into this growth trend results in the June forecast being 2.4 percent higher than the February forecast for the 2021-23 Biennium.

Similar risks exist as in the Inmate Caseload, and the Supervision caseload has the additional uncertainty that comes with the implementation of those very large policy changes over the past couple of years.

Public Assistance

Temporary Assistance for Needy Families (TANF)

Erik Cornellier reported that the TANF forecast was tracking well for a couple of months, but they have seen some upticks in the last few actual data points. On average, the forecast was tracking 1.9 percent above the prior forecast, but that partially masks the recent spike up. The June forecast is 2,400 cases or 8.7 percent higher than the February forecast for the 2021-23 Biennium. The increase is driven primarily by a few factors. One factor is growth in the number of cases remaining on the caseload due to the time limit exemption that started at the beginning of the pandemic. This group had been levelling off prior to the last few months, but then it started rising again. The Legislature extended that exemption another year, so that increases the caseload for another year through June 30, 2023. There is a greater than expected number of Afghan refugees in this forecast and a new influx of Ukrainian refugees. Another factor is a temporary delay in mid-certification reviews and eligibility reviews that

the Economic Services Administration implemented in the beginning of the year. That delay will phase out, but it brings some growth in the first few months of the year.

Aged, Blind, and Disabled Assistance Grant (ABD)

The ABD forecast was also tracking 1.9 percent above the February forecast, and the forecast is about 1,250 cases or 5.9 percent higher for the 2021-23 Biennium. This forecast contains several legislative steps. The Legislature expanded the ABD program for some victims of human trafficking, and they also expanded the program to individuals between the ages of 21 and 64 that are residing in a public mental institution. This caseload also has an influx of Ukrainian refugees, and the temporary delay in mid-certification reviews and eligibility reviews also impacted this caseload. The difference here is that the Legislature permanently eliminated those requirements starting July 1, 2022, so this forecast assumes that the temporary elimination of those reviews that the agency implemented is going to continue all the way through instead of coming back online for a few months starting in July.

Working Connections Child Care (WCCC)

Erik Sund reported that the WCCC caseload appears to have bottomed out and is forecast to grow aided by eligibility and other changes under the Fair Start for Kids Act. Actuals have been tracking about 0.3 percent above the February forecast; however, some early look application data suggest that the rate of enrollment growth will be somewhat slower from July than was assumed in the February forecast. The Department of Children, Youth, and Families (DCYF) implemented an emergency rule allowing providers to bill based on the number of eligible children enrolled in the program rather than the on the number attending. This rule will be in effect from April through June only. After that there's a decline, and from that point onward the caseload continues to grow, but a little more slowly. The forecasts for FY 2024 and FY 2025 look more like what the February forecast would have looked like if the forecast period extended that far.

The risks to this forecast continue to be high. In addition to the economic challenges of operating childcare in the current environment, the number and scale of policy step adjustments are substantial. By the end of the forecast period, it's reaching several thousands of cases, so any variance in those steps could still have a material impact on the total caseload.

Children's Services

Licensed Foster Care (LFC)

Erik Sund reported that the June LFC forecast is, on average, 7.8 percent lower than the February forecast. It is 2.5 percent lower in the current fiscal year and 13 percent lower in the coming fiscal year. The component sub-caseloads, Basic Foster Care (BFC) and Behavioral Rehabilitation Services (BRS), were both declining prior to the pandemic. Possible reasons for the decline include economic conditions in general and a shortage of licensed providers, especially in BRS. There is also the prioritization of placements with family providers, so there is some shift to the Unlicensed Foster Care program from LFC. Actuals have been coming in less dramatically, at about 1.0 percent below the February forecast, but with the variance increasing gradually. The last couple of LFC forecasts included a step adjustment that modeled a recovery of case counts to early pandemic levels, but to date there hasn't been much evidence to support that. The step adjustment was removed to allow the natural trend to go forward which produces a continued decline. The cumulative affect of that reduction over the coming months is why the reduction of the forecast is larger than the one percent variance that has been seen over the last few months.

The risks to this forecast are high. These caseloads were both declining without the aid of the pandemic, and there is continued exposure to economic and demographic conditions, both of which could impact this caseload.

Medical Assistance

Adult Caretakers and Children

Dr. Zhang reported that the Adult Caretakers and Children caseload has been tracking well at 0.1 percent below the February forecast. The June forecast is 2.8 percent higher than the February forecast for the 2021-23 Biennium. The change is primarily because of the extension of the Public Health Emergency (PHE) for another four months from June 2022 to October 2022. The Families First Coronavirus Response Act (FFCRA) requires that in the PHE period the Health Care Authority (HCA) cannot terminate a client's eligibility except for two exemptions. One exemption is if a client is no longer a Washington State resident, and the other is if a client voluntarily requests to terminate his or her eligibility. Therefore, this caseload has been growing steadily and will continue to grow in the PHE period until the HCA resumes the normal eligibility review process. Additional extensions of the PHE will result in an even higher caseload forecast. In addition to that, the amount of time it takes for the HCA to process the backlog cases after the ending of the PHE will have a significant impact on this caseload.

The risks to the forecast are high mainly due to uncertainties related to federal policies.

Low Income Adults

The Low-Income Adults caseload has been tracking well at 0.5 percent below the February forecast; however, the June forecast is 8.8 percent higher than the February forecast for the 2021-23 Biennium. As with the Adult Caretaker and Children caseload, the change is due to the extension of the PHE for an additional four months. Risks to the forecast are high and are due to the uncertainties of the PHE ending date and how quickly the HCA can process the backlog cases after the ending of the PHE.

Long Term Care

Nursing Homes

Dr. Zhang reported that the Nursing Homes caseload has been tracking 6.2 percent below the February forecast. The June forecast is 7.6 percent lower than the February forecast for the 2021-23 Biennium. There are mainly two reasons for the forecast change. First, the forecast assumes the timing for the caseload to return to the pre-pandemic normal is pegged to the PHE ending date. The June forecast change reflects the extension of the PHE for another four months as with the medical caseloads. Second, the February forecast underestimated the severities of the Delta and Omicron waves and their impact on this caseload. The clients in this caseload include the most vulnerable people who are more sensitive to pandemic waves, and it is challenging for nursing facilities to recruit enough staff to serve these clients. Therefore, a pandemic wave will reduce both demand and supply resulting in a low caseload level.

The risks to this forecast are high due to many uncertainties related to pandemic waves, nursing home funding levels, and related policies.

DDA Personal Care

The DDA Personal Care Services caseload has been tracking two percent below the February forecast. The June forecast is 2.2 percent lower than the February forecast for the 2021-23 Biennium. This

caseload is an aggregate of four component forecasts including individual providers, agency providers, adult family homes, and adult residential centers. The main driver of the forecast change is that it is more difficult than was expected in February for the agency providers to hire enough staff. Additionally, the February forecast underestimated the severity and impact of the Omicron COVID wave.

Risks to the overall forecast are moderate. The main risk is the uncertainty of staff recruitment for agency providers and, to some extent, for the individual providers.

Approval of Forecasts

Director Schumacher noted that because there was no longer a quorum present, in accordance with statute, the forecasts would be submitted as presented and have the same effect as if approved by the Council.

Director Schumacher expressed his gratitude to Dr. Deschamps for all that she has done for the CFC over the last 25 years. He noted that the Council looks forward to Mr. Cornellier taking charge.

The next meeting is scheduled for November 9, 2022, at 1:30 p.m.

The meeting adjourned at 9:55 a.m.

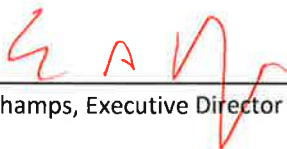
APPROVED AND ADOPTED BY THE CASELOAD FORECAST COUNCIL



Senator Derek Stanford, Chair

11/9/2022

Date



Elaine Deschamps, Executive Director

12/12/2022

Date



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

MINUTES

Caseload Forecast Council (CFC)

November 9, 2022

John A. Cherberg Building, Hearing Room 3/Teams Conference Call

Members Present: Senator Derek Stanford, Chair
David Schumacher, Director/OFM, Vice Chair
Jilma Meneses, Secretary/DSHS
Representative Drew Stokesbary
Senator Lynda Wilson

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

Others Present: Evelyn Fielding Lopez, AAG/Office of the Attorney General

CALL TO ORDER

Senator Stanford called the meeting to order at 1:31 p.m. and determined that a quorum was present.

APPROVAL OF MINUTES

Senator Wilson moved to approve the June 15, 2022, meeting minutes. Senator Stanford seconded the motion. The motion passed unanimously.

JUNE 2022 FORECAST OVERVIEW

Erik Cornellier provided an overview of the forecasts. There is a close to even distribution of forecasts that are up versus down with nine up and 11 down. Six of the forecasts reflect the moderation or abandonment of assumptions about a "return to normal" as the COVID-19 pandemic recedes. If those six are removed, there is an even distribution of forecasts up versus down with eight up and seven down.

Education

Common Schools Enrollment

Paula Moore reported that the common schools forecasts are tracking closely to June for this school year, and for next biennium, they are down slightly less than one percent. The decline is caused by lower than forecasted enrollment in kindergarten, first grade, and Running Start. Inflation has not resulted in higher rates of participation for kindergarten and first grade enrollment. As for Running Start, the number of students who attend college full time continues to decline.

Bilingual Education

The Bilingual Education forecast, compared to June, came in 5.7 percent higher for this year and will average 4.9 percent above for the 2023-25 Biennium. Nearly 7,500 fewer students demonstrated proficiency on the spring exit exam. This is due to both a new exam and pandemic learning loss. It is assumed it will take a few more years to recover from pandemic learning loss. Paula Moore also provided an update on the estimated number of Ukrainian refugee children entering the Bilingual program. That estimate has been revised to 3,000 from the 3,600 assumed in June, based on Department of Social and Health Services data of Ukrainian refugee children receiving state-funded services in the month of September.

Charter Schools

The Charter Schools forecast is 6.5 percent lower than June for this year, and the forecast will be lower by 6.1 percent over the 2023-25 Biennium. This forecast is highly variable because it contains a small number of charter schools, and the accuracy of their enrollment projections impact the forecast. Charter schools will continue to expand until 2024-25 and then have less growth.

College Bound Scholarship Program (CBSP)

The CBSP forecast increased by 2.2 percent above June for this year and rose 1.7 percent for the 2023-25 Biennium. Since April, Free Application for Federal Student Aid (FAFSA) data indicates an increase in the number of new and continuing students applying for financial aid. Paula Moore noted the declining year-over-year caseload trend and emphasized that it is just not declining as much as assumed in June. To be eligible for this caseload, a student must pledge in seventh, eighth, or ninth grade. The caseload will start to increase in 2024-25, which is the year students who pledged during the pandemic will enter college.

Washington College Grant (WCG)

The WCG population is larger. There is no age requirement for this program, and graduation from a Washington State high school is not required. This caseload is forecasted to be 3.0 percent higher for this school year and 1.6 percent higher during the 2023-25 Biennium. This is also due to increases in students applying for financial aid. Consistent with College Bound, this caseload is also continuing to decline year-over-year, just not as much as assumed in June. The tight labor market continues to impact this caseload.

Early Childhood Education and Assistance Program (ECEAP)

Erik Sund reported that the ECEAP forecast is, on average, 16.7 percent lower in the current fiscal year and 3.5 percent lower for the 2023-25 Biennium. Actuals have been tracking slightly more than 6 percent below the June forecast, with the September 2022 caseload being 26.7 percent below forecast. The COVID-19 pandemic and related developments affected ECEAP enrollments over the last

two years. Compared to September of 2019, caseloads were about 30 percent lower in September of 2020 and about 23 percent lower in September of 2021. The June forecast assumed a return to pre-pandemic enrollment patterns, but that hasn't happened. While current case counts are higher than those of last September, they are still below 2019 levels. The November forecast incorporates a gradual increase in ECEAP caseloads rather than a quick recovery.

Corrections

Juvenile Rehabilitation

Liz Dehlbom reported that for the Juvenile Rehabilitation caseload, the November forecast is 8.8 percent lower than the June forecast for the 2023-25 Biennium. Actuals have been tracking very closely at only 0.8 percent below the June forecast. The forecast change is driven by a revision to slow the recovery assumption of court sentencing and new admissions over a longer period of time than in the June forecast. Courts in general continue to have constrained capacity to process cases compared to pre-pandemic, although this has been less acute in the juvenile courts than the adult system. These factors are expected to continue to slowly lessen over time, and admissions are expected to increase over the next year.

The primary risk to this forecast is that there have been substantial changes experienced during the pandemic relating to case volume, and uncertainty remains surrounding what level it will be in the future.

Adult Inmate

The Adult Inmate forecast for November is 7.1 percent lower than the June forecast for the 2023-25 Biennium. Actuals have been tracking relatively well at 1.2 percent below the June forecast. The forecast change is driven by a similar revision to slow the recovery of court sentencing over a longer period of time. Admissions are expected to increase more slowly than assumed in the June forecast, and the caseload is expected to continue to grow through the biennium.

Risks to this forecast are similar to the Juvenile caseload.

Contact-Required Community Supervision

The Community Supervision forecast for November is 8.3 percent lower than the June forecast for the 2023-25 Biennium. However, actuals have been tracking closely at 0.8 percent below the June forecast. The forecast change is driven by a similar revision to slow the recovery of court sentencing as well as a de-coupling from the pre-pandemic trend. Separate from pandemic impacts in the criminal justice system, this caseload was impacted by several legislative policies and court decisions that were implemented in the last two years. Ms. Dehlbom reported that in the last six months, they have seen relative stability in many of the factors driving the caseload, and the November forecast projects this recent trend forward. It assumes a gradual growth in entries, and the caseload will transition to a growth trend as a result over the biennium.

Community Custody Violator

The Violator forecast for November is nearly 55 percent lower than the June forecast for the 2023-25 Biennium, and actuals have been tracking 31.5 percent below the June forecast. The forecast change is the result of de-coupling from pre-pandemic assumptions. The caseload has been flat for the last five months and has not increased substantially from the level it had in September 2021. Previous forecasts have assumed that a strong increase in the caseload would follow the full reversion to pre-

pandemic operations in the Department of Corrections. However, after the March 2022 change, the caseload experienced only a small increase and then quickly plateaued. The November forecast assumes the caseload will remain low and continue at its current pace of slow growth over the biennium.

Public Assistance

Temporary Assistance for Needy Families (TANF)

Dr. Webb Sprague reported that the TANF actuals compared to the TANF June forecast are tracking 852 cases and 2.6 percent lower than the forecast, and that the November forecast compared to the June forecast is 19.2 percent higher overall. The changes to the forecast are due primarily to the effect of Ukrainian refugees and changes to the TANF primary trend. For the Ukrainian refugee step, they are projecting a later peak which contributed to lower tracking numbers, but a longer drop off which contributes to a higher overall forecast for November. The TANF primary trend is also now projected upward through 2023, while the primary trend projection was flat in the June forecast. The primary risk to the forecast is the flow of Ukrainian refugees, which is dependent on the course of the war.

Aged, Blind, and Disabled Assistance Grant (ABD)

Dr. Webb Sprague reported that the ABD actuals versus the ABD June forecast are tracking 3,468 cases and 16.4 percent higher than the forecast, and that the November forecast compared to the June forecast is 1.6 percent lower overall. The changes to the forecast are primarily due to an increase in Presumptive SSI (PSSI) cases and a change in the public mental institution step. The increase in PSSI is likely due to all Community Service Offices (CSOs) reopening in February for in-person service delivery, and the caseload is expected to decrease once pre-COVID rules are reinstated in October and November 2022. The step for public mental institution ABD was reduced from the June forecast based on data on uptake rates and a new analysis of eligible beds. The primary risk to the forecast is for PSSI – policy changes are expected to drive the projected drop, but data is not available as of the November forecast.

Working Connections Child Care (WCCC)

Erik Sund reported that the WCCC forecast is, on average, 2.8 percent lower in the current fiscal year and 1.0 percent higher for the 2023-25 Biennium. Actuals have been tracking 1.0 percent below the June forecast.

Since June of 2020, this forecast has incorporated step adjustments modeling an expected decline and then recovery of the WCCC caseload. The last such adjustment was removed from the model for this November forecast. The caseload is forecasted to continue increasing but at a slower rate than was assumed in the June forecast for the near term. The growth in caseload is due in large part to the revised eligibility standards put in place by the Fair Start for Kids Act. The number of households entering the program with incomes between the old limit and the new, higher-maximum allowable income has been greater than was originally forecasted. The main known risk to the forecast comes from not knowing how many households in the newly eligible population will choose to participate in the program.

Tiered Reimbursement

Erik Cornellier presented the Tiered Reimbursement forecast, which has been tracking 7.5 percent higher than the June forecast and is forecasted to be 14.1 percent higher for the 2023-25 Biennium. The increase in the forecast is due to a recent increase in enrollment by new providers. Under the

hood, the forecast also incorporates expectations about the implementation of the new virtual provider rating system. More providers are expected to move from Level 2 to Level 3 and Level 3 Plus during the biennium.

Children's Services

Extended Foster Care (EFC)

Erik Sund reported that the EFC forecast is, on average, 7.2 percent lower in the current fiscal year and 15.3 percent lower for the 2023-25 Biennium. Actuals have been tracking 1.0 percent below the June forecast.

The EFC caseload grew at a steady pace for most of last decade, until the April 2020 implementation of a temporary policy allowing youths to continue to receive benefits after turning 21. When that policy ended in October of 2021, the caseload dropped as expected but then continued to decline and then level off over the summer. The November forecast recognizes that the longer period of growth in this program has ended and assumes a stable caseload for the remainder of the forecast window. The reduction in EFC cases may be a downstream effect of lower caseloads in other foster care programs, as an individual must enter foster care to be eligible for extended foster care. The risk to this forecast is higher than it has typically been as the relationship between the Licensed Foster Care, Unlicensed Foster Care, and EFC caseloads is not a simple one.

Medical Assistance

Low Income Adults

Dr. Shidong Zhang reported that the Low Income Adults caseload has been tracking well at 0.1 percent above the June forecast. The November forecast is 2.8 percent higher than the June forecast for the 23-25 Biennium. Similar to prior forecast cycles in the pandemic period, the reason for the forecast change is primarily because of the extension of the federal Public Health Emergency (PHE) for an additional 90 days, from October 2022 to January 2023. The reason is that the Families First Coronavirus Response Act requires that in the PHE period, the Health Care Authority (HCA) cannot terminate a client's eligibility except for two exemptions. One is that a client is not a Washington State resident, and the other is that a client voluntarily requests to terminate his or her medical coverage. Therefore, this caseload has been growing steadily and will continue to grow until HCA resumes the normal eligibility review process. The other reason for the November forecast change is an update to the assumptions for how to process the backlog cases after the end of PHE.

The risks to this forecast are high primarily due to the uncertainties of related federal policies.

DDA Personal Care

Dr. Elaine Deschamps presented the new DDA forecasts per ESSB 5268, passed during the 2022 Legislative Session.

State-Operated Living Alternatives (SOLA):

The SOLA forecast is comprised of the number of individuals who are expected to reside in SOLAs. SOLAs provide community residential services, including assistance with activities of daily living, engagement in community activities, and behavioral, protective, nursing and mobility supports. SOLAs provide up to 24 hours/7 days a week support. The SOLA caseload is largely based on funded capacity provided by the Legislature. The agency currently has funding for more SOLA placements than this forecast projects, but these placements are contingent upon several factors, including specific client

needs, sufficient staffing, and appropriate housing availability. The forecast risk is high as it is a new forecast and due to the multiple factors involved in a SOLA placement.

Total Waiver Requests:

This Total Waiver Request forecast is the sum of five separate forecasts of individuals requesting to be on one of the five Home and Community Based Services Waivers but denied due to lack of capacity. These five waiver request forecasts are: the Basic Plus, Individual and Family Services, Core, Community Protection, and Children's Intensive In-home Behavioral Support (CIIBS) waivers. The Legislature recently made substantial investments in waiver capacity. The considerable decline since April 2022, is based on the agency's recent efforts to actively pursue outreach to those on the waiver request lists. For four of the five waivers, there remains sufficient capacity to serve those clients on the request list who are both Medicaid-eligible and still requesting to receive services. The only waiver currently lacking capacity is the CIIBS waiver. The slight growth projected in FY 2025 is solely due to the CIIBS waiver request caseload since it is the only waiver currently lacking any capacity. Waiver requests have been closed as clients have either been enrolled in a waiver or said they no longer want a waiver. As these are brand new forecasts, the risks are high, and the CFC is working with the department to get data that allows for more granularity to look at entries and exits and other factors to improve explanatory power.

Approval of Forecasts

Director Schumacher moved, Senator Stanford seconded, to approve the forecasts as presented. The motion passed.

Office of Financial Management State Population Forecast

Mike Mohrman, State Demographer from OFM, presented the state population forecast.

The next meeting is scheduled for February 10, 2023, at 1:30 p.m.

The meeting adjourned at 2:20 p.m.

APPROVED AND ADOPTED BY THE CASELOAD FORECAST COUNCIL



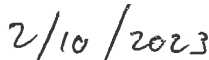
Senator Derek Stanford, Chair



Date



Erik Cornellier, Executive Director



Date