



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

MINUTES

Caseload Forecast Council (CFC)

February 16, 2024

John A. Cherberg Building, Conference Room ABC and Teams

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

Staff Present: Erik Cornellier, Executive Director
Dr. Alex Ge
Dr. Webb Sprague
Erik Sund
Kathleen Turnbow
Dr. Shidong Zhang

Others Present: Andrew Krawczyk, AAG/Office of the Attorney General

Call to Order

Director Schumacher called the meeting to order at 1:30 p.m.

Election of Chair

Director Schumacher asked for a motion to elect a new chair. Representative Bergquist moved to have Senator Stanford be elected as chair. Senator Stanford seconded the motion.

Senator Stanford commented that he has been serving as chair of the Council for a while now, and he enjoys doing so. He stated that the Council has been doing a great job due to the professionalism of the forecasters and excellent leadership of the executive director. He pledged that he would keep doing his part to keep the ship sailing smoothly. Director Schumacher added that credit is due all around due to the excellent staff, excellent chairmanship, and excellent executive director.

Director Schumacher called for a vote on the motion to elect Senator Stanford as Chair. The motion carried.

Senator Stanford thanked the Council for electing him.

Approval of the Minutes

Senator Stanford called for a motion to approve the minutes. Representative Bergquist moved, and Senator Stanford seconded, to approve the minutes of the November 8, 2023 Council meeting. The motion carried.

February 2024 Forecast Overview

Erik Cornellier provided an overview of the February forecast. There are 10 forecasts that are higher than the November forecasts, six that are down, and 15 that are negligible or unchanged. Almost half of the forecast differences are negligible.

There are three major themes explaining the increased forecasts.

First, increased immigration is impacting caseloads in education, public assistance, and medical assistance.

Second, enrollment in higher education is increasing, especially in community and technical colleges.

Third, the unwinding of continuous pandemic eligibility in Medical Assistance has been slower than assumed in November.

Education

Paula Moore spoke to the Education and Higher Education forecasts.

The February Common Schools and Special Education forecasts were on par with November; however, both Running Start and Open-Door programs were up, consistent with the higher enrollment at the community and technical colleges. Kindergarten and 1st grade enrollment were revised downward for next year based on additional data about private and home-based instruction. Collectively, there are fewer kindergarteners and first graders coming into schools in Washington.

The February Bilingual forecast was also on par with November; however, there are two issues with the forecast. Bilingual is higher in the 7th to 12th grade forecast, up an additional 2.8 percent or nearly 1,600 students. At the same time, the bilingual caseload in kindergarten through sixth grade will decline due to the Office of the Superintendent of Public Instruction revising its exit policy. About 1,000 additional students will exit.

The Charter Schools forecast was down 2.3 percent with two schools accounting for 73 percent of the forecast decline.

Transition to Kindergarten (TK) is up 3.6 percent due to higher than forecasted enrollment. Representative Bergquist noted that the Renton School District opened enrollment for a TK program to start in September and had already received 300 applicants for 220 slots.

Paula noted that most of the larger King County area school districts did not offer TK because of their Early Childhood Education and Assistance Program offerings and partnerships with other early learning programs. If those districts started offering TK, it would increase the forecast.

The Washington College Grant February forecast was 7.1 percent higher for the biennium than November. The February forecast is the first report of the academic year for the college financial aid data because the fall term is just starting during the November forecast cycle, and students are still dropping and adding classes. Paula explained that 65 percent of the forecast variance was driven by increased enrollment in the Community and Technical College sector. The growth includes both older and younger students.

The College Bound Scholarship Program February forecast was 8.5 percent higher for the biennium than November. Paula explained that a policy change last session allowed students to participate at the CTCs with less than a C Grade Point Average (GPA). Instead of 100 students as was assumed in the legislative budget, it is estimated at 400 to 500 students. Next year, the forecast assumes a higher caseload for first-year students. Many of these students were auto-enrolled during the pandemic. It was not clear how many would continue to be income-eligible. Additional data from OSPI indicates a greater number of the students continue to be eligible for free and reduced-price lunch and will be eligible for financial aid. They also will be able to attend the CTCs regardless of GPA. Those two factors are increasing the caseload.

Corrections

Erik Cornellier indicated that the corrections forecasts are all tracking well with small or negligible changes to the forecasts.

Public Assistance

Working Families Tax Credit

Dr. Webb Sprague reported based on the fiscal year total, rather than the monthly totals as originally presented in the Council materials. The yearly forecast is down 16.1 percent for FY 2024 and down 21.9 percent for FY 2025 as compared to the November 2023 forecast. The decrease is because of a lowered assumption about enrollment outside the busy tax filing season (most taxes are filed March through May), with the Department of Revenue clearing their queue faster than was expected. The model assumes an increase in uptake rates applied to the same monthly pattern as in Calendar 2023. This is a high-risk forecast because data is only available for a single year of the program.

Temporary Assistance for Needy Families (TANF)

Dr. Webb Sprague reported that TANF is tracking 3.0 percent above the November 2023 forecast. The February 2024 forecast is up 7.3 percent above the November 2023 forecast. The step for Child Only cases converting to Licensed Foster Care was dropped from the February 2024 forecast because this program was initiated in October 2023, but no impact was seen to the Child Only kinship or legal guardian caseloads. Most of the growth in TANF is due to immigrant families; this correlates with an increase in State Family Assistance (SFA) assistance payments, an increase to Limited English Proficiency (LEP) TANF cases, and increases to other programs with large immigrant populations throughout Washington state.

ESA Aged, Blind, Disabled, Cash Grant (ABD)

Dr. Webb Sprague reported that ABD is tracking 1.9 percent above the November 2023 forecast, and the February 2024 forecast is up 4.2 percent from the November 2023 forecast. ABD-Aged continues to climb due to a mixture of factors, including Ukrainian refugees timing off Refugee Cash Assistance (RCA) and other increases in the immigrant and refugee population not eligible for RCA or SSI. ABD-Disabled and Presumptive Social Security Insurance (PSSI) continue to climb as well, but increases are less pronounced than in ABD-Aged.

Tiered Reimbursement/Early Achievers Subsidy Providers

Erik Cornellier reported that the Tiered Reimbursement Early Achievers Subsidy Providers forecast is up 8.9 percent from the November forecast. It is based on a new data series. The CFC had been receiving data for this forecast from the Office of Financial Management (OFM), and the Department of Children, Youth, and Families took over that duty in July 2023. This is the first time the CFC has received updated actuals since then. The OFM data was based on matching a few indirect data sets and included some workarounds. The new set comes from the system-of-record for provider ratings matched to payment data, and it should be more accurate. The new data is consistently 2.4 percent higher than the series from OFM. The rest of the increase is from new providers entering Early Achievers, and this is especially true for Family Homes. DCYF believes that recent rate increases are drawing in new providers to the program.

Children's Services

Licensed Foster Care (LFC)

Erik Sund stated that actuals are tracking, on average, about 3.2 percent above the November forecast of LFC; however, the February forecast is lower due to the combination of a slightly higher primary trend and a larger reduction in a preexisting policy step adjustment.

He noted that there have been some complications with the automated reporting of LFC case counts over the past year, but he believes that DCYF has a settled, new reporting system and that historical case data are not expected to be revised further. Because the reporting improvements were not yet complete at the time the November 2023 forecast was prepared, an artificially constructed data set was used for the primary trend. This was a risk to the November forecast, and at least part of the reason for the increase in the primary trend in the February forecast was the effect of switching to the new data.

Another known risk to the November forecast was a step adjustment modeling the impacts of Second Substitute House Bill (2SHB) 1227 from 2021, which took effect in the summer of 2023. The bill is expected to reduce the total number of children moved from parental custody into foster care by raising the standard for removal and will also provide an enhanced pathway to license relatives who provide foster care. The early data on the new licensing process, which was fully deployed in October 2023, suggest that the impact on the LFC caseload will be smaller than expected.

The effect of the change to the step adjustment is larger than the effect of the updated primary trend, resulting in a February forecast that is, on average, 3.4 percent lower than the November 2023 forecast for the 2023-2025 Biennium. The forecast is little changed for FY 2024 but is 6.5 percent lower for FY 2025.

Erik stated that the risk to this forecast will remain high for some time as there are still only limited data available on the effects of 2SHB 1227 on the LFC caseload.

Medical Assistance

Dr. Shidong Zhang presented the Medical Assistance forecasts.

Adult Caretakers and Children

The Adult Caretakers and Children caseload is a MAGI caseload. MAGI means Modified Adjusted Gross Income. For a MAGI caseload, eligibility is based on self-attestations from the applicants that are

processed by the Health Benefit Exchange's Health Plan Finder. A Post Eligibility Review (PER) conducted by the Health Care Authority (HCA) is required when a client's self-attestation cannot be verified through crossmatches with other data, such as federal Social Security Administration's data and state Employment Security Department's data. If they do not pass the post eligibility review, the client's eligibility will be terminated.

This caseload has been tracking 0.5 percent above the November forecast, and the February forecast is 1.6 percent higher than the November forecast for the 23-25 Biennium.

The Medicaid continuous enrollment unwinding process started in April 2023. This caseload will continue to drop as HCA re-determines eligibility for the pandemic postponed cases to ensure compliance with federal requirements. By the end of last October, this caseload was more than 70,000 cases lower than it was at the beginning of last April, and there is an increasing backlog of cases needing PER. The total PER cases will grow to hundreds of thousands by the end of the unwinding, and about 50 percent of these cases would be terminated, which means that by the end of unwinding, this caseload will have a substantial number of ineligible clients in this caseload.

Other reasons for the February forecast changes are:

- Adjusting the twelve-month coverage extension model for the Categorically Needy (CN) Adult Caretakers' program.
- Adjusting the ten-month post-partum extension model for the CN Pregnant Women program.
- And adjusting the model for the state Children's Health Program based on newly available data.

Low-Income Adults

The Low-Income Adults caseload has been tracking 1.8 percent above the November forecast, and the February forecast is 3.6 percent higher than the November forecast for the 23-25 Biennium.

The main reason for the forecast change is the same as the Adult Caretakers and Children caseload because both are MAGI caseloads. The higher February forecast is primarily due to a slower unwinding process than predicted in the November forecast and an increasing number of backlog cases needing PER. This caseload is the one most impacted by the unwinding process, with more than 150,000 fewer clients by the end of last October. This caseload will also have a substantial number of ineligible cases by the end of unwinding process.

Aged, Disabled and Other Medical

The Aged, Disabled and Other Medical caseload has been tracking 0.9 percent above the November forecast, and the February forecast is about 1.0 percent higher than the November forecast for the 23-25 Biennium.

For this classic medical caseload, the unwinding redeterminations have been processed more quickly than assumed in prior forecast cycles. By the end of last October, the caseload was about 17,000 cases lower than it was at the beginning of last April. In the unwinding period, an increased number of clients were transitioned from CN Aged and CN Disabled programs to the two Medicare Savings Programs based on income and resource changes. The state Medical Care Services program continues its increased trend that started from the first quarter of last year.

**Long-Term Care
Nursing Homes**

Dr. Shidong Zhang reported that the Nursing Homes caseload has been tracking 0.6 percent below the November forecast, and the February forecast is about 1.6 percent lower than the November forecast for the 23-25 Biennium.

Consistent with other long term care programs, this caseload experienced enrollment increases in the past months. The enrollment increase is likely due to improved confidence in the safety of nursing home facilities. At the same time, an increased number of clients left this program, resulting in the lower February forecast. In addition, some nursing home facilities changed ownership and didn't timely report caseload data. This is why there are just two additional months' data beyond the November forecast.

Approval of the Forecasts

Representative Bergquist moved, and Senator Stanford seconded, to approve the forecasts as presented. The motion carried.

2024 Meeting Dates

The next meeting is scheduled for June 13, 2024, at 1:30 p.m.

The meeting adjourned at 2:11 p.m.

APPROVED AND ADOPTED BY THE CASELOAD FORECAST COUNCIL



Senator Derek Stanford, Chair



Date



Erik Cornellier, Executive Director



Date



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June 13, 2024

John A. Cherberg Building, Conference Room ABC and Teams

Members Present: Senator Derek Stanford, Chair
Representative Steve Bergquist
Representative Chris Corry
Secretary Jilma Meneses, DSHS
Senator Linda Wilson

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

Others Present: Kelly Owings, AAG/Office of the Attorney General

Call to Order

Senator Stanford called the meeting to order at 1:34 p.m. and determined that a quorum was present.

Approval of the Minutes

Senator Stanford called for a motion to approve the minutes. Representative Bergquist moved, and Senator Stanford seconded, to approve the minutes of the February 16, 2024 Council meeting. The motion carried.

June 2024 Forecast Overview

Erik Cornellier indicated that there were a lot of forecasts to cover today. For this forecast, there are 15 that are higher than the February forecasts, 6 that are lower, and 10 that are negligible or unchanged. He stated that it is not uncommon to see a direction to the variance in June as they incorporate all of the legislative changes from the session, and that is the case here.

Immigration is continuing to drive increases in some of the caseloads.

Finally, federal issues with the Federal Application for Financial Student Aid, or FAFSA, add some risk to the higher education forecasts.

Education

Paula Moore presented the K-12 and Higher Education forecasts.

Common Schools

Compared to the February forecast, the June 2024 forecast for Common Schools is on par for 2023-25. The June 2024 forecast is, on average, 1,698 students or 0.2 percent higher than the February forecast for the 2023-25 Biennium. Future year-over-year growth will be slightly declining due to declining birth rates, and smaller age cohorts are progressing through the K-12 system replacing larger cohorts that are graduating.

Representative Bergquist asked about the change in the long-term projection. Paula did not have that available, but noted both the February and June long-term projections assumed a -0.3 percent average annual change. Later in the meeting she followed up that it was a 0.1 percent to 0.2 percent variance depending on the year.

Special Ed

Compared to February, the June 2024 Special Education forecast is on par for 2023-25. The June 2024 forecast is tracking 0.6 percent higher than the February forecast for the 2023-25 Biennium, mainly due to a policy change that increased the cap for age K-21 from 15 percent to 16 percent. This is the second year in a row the Legislature has lifted the cap, and there can be more variation in the Special Education forecast as there is room under the index.

Charter Schools

The June 2024 Charter Schools forecast is 1.3 percent lower than the February forecast for the 2023-25 Biennium. Next year is lower as Pride Prep closed its middle school. However, the forecast is already out of date as the Washington State Charter School Commission voted to revoke the charter for Pullman Community Montessori (PCM), and PCM accepted the revocation. PCM will close at the end of June. This information came after the publication deadline. Those numbers are 100 for 2024-25 and slightly more for the later years.

Transition to Kindergarten (TK)

This is a new forecast. Previously TK was a component of the kindergarten forecast, and this is the first year of separate monthly data. The June 2024 forecast is 10.2 percent higher than the February forecast for the 2023-25 Biennium. It is 0.8 percent higher for this year and 18.7 percent higher for next year. This is due to expansion of classrooms, both from schools being added and districts starting programs. For example, Renton is establishing a large program, and Tacoma is expanding to every school in the district. Larger districts also are starting to implement the program. Ms. Moore noted that they are seeing a lot more coordinated entry for programs. Parents fill out one application and then the district determines the best approach-TK, ECEAP, or Special Education preschool. It is expected that 10 percent of 4-year-olds will participate in TK by the end of 2026-27.

College Bound Scholarship Program (CBSP)

There is significant uncertainty to the June 2024 forecast for 2024-25 due to the US Department of Education's overhaul of the Federal Application for Free Student Aid (FAFSA). The FAFSA launch date was delayed by two months, and the application contained technical glitches impacting students' ability to apply for aid. The June 2024 forecast assumed there will be a modest impact on participation for 2024-25 for students age 18. The initial impact on 2024-25 will be analyzed once fall financial aid is reported in late December of 2024.

The June 2024 forecast for CBSP is 0.5 percent higher than the February forecast for the 2023-25 Biennium. This year is 1.2 percent higher, driven by growth at Community and Technical Colleges and research. Next year is flat compared to the February forecast. Year-over-year the enrollment will continue to grow in the 2025-27 Biennium as the post-pandemic cohorts make their way through college.

Washington College Grant (WCG)

The WCG forecast faces the same FAFSA issues as the CBSP forecast; however, it is more likely to impact dependent students whose parents also have to complete the form. The independent students are having less difficulty. The forecast assumes a modest dampening of 18-year-olds entering college due to the FAFSA. There is significant uncertainty at this time about if that will improve or if it will be worse.

The June 2024 forecast is, on average, 2,663 students or 2.7 percent higher than the February forecast for the 2023-25 Biennium. This year is 2.9 percent higher. Next year is 2.5 percent higher. Actuals for the 2023-24 academic year are up due to fall-to-spring increases from apprenticeships, students age 22 and older, and the Community and Technical College sector. Of this forecast variation, growth in apprenticeships accounts for 40 percent. The college-attending caseload is only 1.6 percent higher.

The apprenticeship program is not impacted by the FAFSA. While those students have similar income eligibility, their applications are processed differently and are not impacted by the FAFSA technology glitches.

Early Childhood Education and Assistance Program (ECEAP)

Erik Sund said that the June forecast for ECEAP is, on average, 1.2 percent below the February forecast for the current biennium. ECEAP enrollment continues to grow gradually from a low point in the 2020-21 school year. It has not returned to peak pre-pandemic levels as a percentage of funded program slots. Actuals have been tracking, on average, 1.5 percent below the February forecast.

Erik noted that there are two components to enrollment: the first is the entitlement-eligible enrollment. These are students who meet the current law standards for entitlement if the program were run as an entitlement program rather than on a funded-slot basis. The entitlement-eligible enrollment was 3.0 percent lower in March of this year than it was in March of 2023. The other portion of enrollment is the allowable category which is for students who don't meet those entitlement-eligible criteria but are permitted under state law to participate on a space-available basis up to 25 percent of total enrollment. Allowable enrollment is where there has been more growth in the

program over the last few years; it is nearly 50 percent higher this March than in March 2023. The forecast assumes that that kind of trend is going to continue, with steady growth in enrollment but not reaching full utilization of the funded slots until the 2026-27 school year. At that point, the program is scheduled to convert to an entitlement program, and the income standard for being entitlement-eligible is going to increase from 110 percent of the federal poverty level to 36 percent of state median income as adjusted for family size.

Erik said that the main risks to the forecast come from the difficulty of expanding the number of slots forecasted for the entitlement program and the uncertainty around what the uptake rates are going to be among the eligible population in these areas where they're newly served or newly more served.

Representative Bergquist asked how the interaction between TK and ECEAP has impacted the forecast. Erik replied that there is overlap between the programs and that it has gotten bigger as the TK forecast has grown. In the near term, the overlap between the programs in terms of income eligibility is less than was originally assumed; however, the potential for competition between the programs will grow as the income limit for ECEAP is increased. Representative Bergquist noted that the Office of the Superintendent of Public Instruction (OSPI) is still working out final rules for TK eligibility and how TK connects with ECEAP.

Corrections

Erik Cornellier introduced Dr. Alex Ge who presented the Adult Inmate forecast. He noted that this was Dr. Ge's debut in front of the Council. Dr. Ge introduced himself and explained that he is the forecaster for the Department of Corrections and Juvenile Rehabilitation caseloads.

Adult Inmate

Dr. Ge explained that the June Adult Inmate forecast has a modest downward revision from the February forecast, and, more specifically, it is about 115 cases or 0.8 percent lower for the 2023-25 Biennium. Actuals are, on average, 79 cases or 0.6 percent below the last forecast. If the actuals are broken down by gender, which is the major structure for this forecast, it is a little mixed. The average monthly actuals for males came in 97 cases or 0.7 percent lower than the February forecast for January through April. For the female caseload, which is a much smaller caseload that accounts for 6 percent of the total inmate population, the caseload came in 18 cases or 2 percent higher during the same 4-month period.

The main reason behind the February forecast variance is the monthly admissions for males, which is more than 90 percent of total admissions. Monthly admissions for males came in 59 cases lower than the February forecast in these months, and for the female admissions forecast, it is closely aligned with what was forecasted in February.

On the policy front, this forecast includes three legislative changes adopted in recent years. More specifically, EHB 1324, which passed during the 2023 Legislative Session, will reduce offender scores for some individuals and is estimated to drive the caseload down by 59 for FY 2025. Another bill which also passed last year, ESHB 1394, will remove or reduce obligations for sex offense registration requirements, causing a reduction of about 12 cases for the next fiscal year. This forecast also incorporates a new step adjustment that represents the impact of ESHB 1493, which extends the lookback period for felony DUI from 10 years to 15 years. This bill is expected to increase the number of felonies in this area or extend the length of stay for certain offenders. This bill will not take effect

until January 2026, so it will not affect the current biennium. It is estimated to drive up the caseload by an average of 56 cases for FY 2027 and max out at around 150 cases in FY 2031 and afterwards.

The risk related to this forecast is moderate. Most of the risk comes from the lingering COVID impact. The courts are still working on the backlog, which, as indicated in the recent data, is lower. That said, there is still some room for a rebound. With regard to the population growth, the adult population grows quite steadily at about one percent each year, which will also have some impact on the long-term forecast for this portfolio.

Public Assistance

Working Families Tax Credit (WFTC)

Dr. Webb Sprague reported on both monthly and yearly counts, since WFTC is a one-time yearly benefit with 80 percent of disbursement in March through June. Monthly actuals are tracking, on average, 1,884 cases or 5.5 percent below the February forecast. The variance in January and February is due to the small numbers of applicants in these months prior to the federal tax filing deadline leading to high percentage variance calculations. The variance in March and April is due to a slightly overestimated uptake rate assumption in the February forecast. The June 2024 forecast is, on average (calculated yearly), 6,055 cases or 2.6 percent lower than the February 2024 forecast. Dr. Sprague pointed out the extreme seasonality in this program because most expenditures and caseload will occur from February through May due to the tax cycle. Uptake assumptions are the biggest risk to the long-term forecast; short-term risks are small. The Department of Revenue is still bringing on some programs like TurboTax, and changes to programs like these is part of the risk for the longer term.

Temporary Assistance for Needy Families (TANF)

Dr. Webb Sprague reported that the TANF forecast is 1,743 cases (5.3 percent) above the February 2024 forecast. Actuals are tracking, on average, 884 cases (2.7 percent) above the February 2024 forecast. The variance in the current forecast is driven by the recent larger-than-normal number of immigrants entering WorkFirst. The WorkFirst forecast includes an immigration step based on the monthly net entries of immigrants in the last six months and the federal Congressional Budget Office's long-term immigration projection. It is assumed that WorkFirst time-limit cases have fully transitioned to post-COVID policies, and there is a step with historical data to ensure that the implementation of these policy changes does not affect the primary trend. There also is a risk that the June 4 presidential proclamation limiting access for asylum seekers may lead to a drop in future WorkFirst caseload.

ESA Aged, Blind, Disabled, Cash Grant (ABD)

Dr. Webb Sprague reported that the ABD actuals are tracking, on average, 901 cases (3.0 percent) above the February 2024 forecast. The February 2024 forecast is, on average, 2,380 cases or 7.7 percent above the February 2024 forecast. ABD Aged continues to climb, partly due to immigration. There is an immigration step based on the same methodology as TANF WorkFirst. Presumptive Supplemental Security Income continues to climb, possibly due to increased access or longer wait times at Social Security. There is a risk that the June 4 presidential proclamation limiting access for asylum seekers may lead to a drop in ABD-Aged. There is also a risk that recent changes allowing Ukrainian humanitarian parolees to receive federally funded assistance may lead to a drop in the ABD-Aged caseload (state funded) as these clients can utilize Refugee Cash Assistance (federal funded) for the first year in the U.S.

Working Connections Child Care (WCCC)

Erik Sund said that the WCCC forecast is, on average, 4.9 percent higher than the February forecast. Actual caseload numbers have been tracking about 0.6 percent above forecast, but the last actual was higher at 2.5 percent above forecast.

The caseload growth in recent years has been assumed to be both continued recovery from the impacts of the COVID pandemic and the effects of several legislative changes that have expanded eligibility for the program and reduced the cost of copayments. The February forecast included an assumption that the effect of some of those prior expansions of eligibility would begin to fade at around 28,000 cases. Given that we have effectively reached that level, and the early indicator data all point in the upward direction, that assumption has been relaxed. The model now includes a dampened primary trend later, starting in FY 2026. FY 2026 is also when a delayed provision of the Fair Start for Kids Act of 2021 takes effect, which will increase the income limit for the program from 60 percent of state and median income adjusted for family size to 75 percent of state median income. So just as the primary trend starts to taper off it will be propped up by a further expansion of eligibility.

The biggest risk identified is that within the new income bands becoming eligible for the program, there is some uncertainty around both the total scale of uptake and the timing of when it will start to affect the forecast. It could take a couple of years, or it could take four years, which is what the forecast currently assumes.

Children's Services

Licensed Foster Care (LFC)

Erik Sund stated that the June forecast for LFC is 2.1 percent higher than the February forecast, on average, for the current biennium. Two step adjustments are built into the forecast. One is for ESSB 6109, which requires a court to give great weight to the risks associated with high potency, synthetic opioids when considering an order to remove a child from custody. The other is for 2SHB 1227 from 2021, which had a delayed effective date and became effective last year, raising the general standards for the removal of a child from parental custody and also providing a new structure for the licensing of providers who become foster parents for relatives, including the provision for initial licenses, which can be granted more quickly and can be a pathway to ongoing permanent foster care licenses. The changes to standards for removal push against each other, but both step adjustments do tend to increase the forecast overall.

Part of the change in the June forecast is because of that step adjustment for the legislation from this last session, and part of it is due to continuing to try to capture the effect of the new provisions for initial licensing. The early data that are available so far on the licensing process do not provide a very clear picture yet. There are snapshots of how many initial licenses are out there at specific points in time, but the licensees cannot yet be tracked through the process, so there is some uncertainty as to how many of these have already become ongoing licenses and therefore what the total impact on the caseload will be.

Medical Assistance

Dr. Shidong Zhang presented the Medical Assistance forecasts.

Adult Caretakers and Children

The Adult Caretakers and Children caseload has been tracking well at about 0.4 percent above the February forecast, and the June forecast is about 1.2 percent higher than the February forecast for the 2023-25 Biennium. The unwinding process of the pandemic continuous enrollment started in April 2023 and ended about two weeks ago on May 31. The total caseload drop in the unwinding period would be close to 100,000 cases. After the unwinding process, this caseload will continue to drop because a substantial number of cases need post eligibility review, and it is anticipated that a substantial number of the post eligibility review cases will finally get eligibility terminated.

The June forecast changes also include some adjustments:

- The first is that the June forecast added a step to quantify the impact of SB 5580 that increases the income limit from 193 percent of the federal poverty level (FPL) to 210 percent FPL for the two pregnant women programs.
- Secondly, the June forecast adjusted the twelve-month extension model for the Adult Caretakers' program.
- Finally, the June forecast adjusted the state Children's Health Program (CHP) forecasting model based on newly available data reflecting increasing immigration.

Low-Income Adults

The Low-Income Adults caseload has been tracking 1.8 percent above the February forecast, and the June forecast is about 1.8 percent higher than the February forecast for the 2023-25 Biennium. This caseload is the most impacted caseload in the pandemic period and in the unwinding process. The total caseload drop in the unwinding period is more than 220,000 cases, which is more than a 25 percent drop. As with the Adult Caretakers and Children caseload, after the unwinding period, this caseload will continue to drop because of a substantial number of cases needing post eligibility review, and the expectation that there will be a substantial number of eligibility terminations in the post eligibility review period.

Another reason for the June forecast change is that the Health Benefit Exchange (HBE) 2023-24 open enrollment period is the first one after the pandemic. In the February forecast, it was correctly predicted that there would be a big jump in new enrollments in November and December, but in the January data, the new enrollments and eligibility terminations are different than what was forecasted based on past experience. This is one of the reasons for a higher variance than the other medical forecasts.

Aging and Long-Term Support

State-Operated Living Alternatives (SOLA)

Dr. Elaine Deschamps reported that the June forecast is 1 case or 0.2 percent higher than February, and actuals are tracking 2 cases or 0.8 percent above the February forecast. The June SOLA forecast reflects a flat line because it is based on funded capacity, and currently the SOLA program is overspent. The Developmental Disabilities Administration's funding request for expansion in the 2024 supplemental budget was not funded, so the department has chosen to freeze the caseload at its current level and only fill vacancies as they occur. If the funding situation changes, the forecast will be updated accordingly.

Risk to the forecast is high since the forecast is subject to funds provided by the Legislature.

Dependency Involved Children and Youth

Dr. Deschamps explained that the Dependency Involved Children and Youth forecast is a relatively new forecast, and actuals are now available to report for the first time. The June forecast is 82 cases or 79.3 percent lower than the February forecast. This is due to slower than projected initial start-up and slower growth over the first three months for which there is data. Client enrollment began in February of this year rather than December of last year as originally assumed. For the November forecast, there will be an additional four to five data points, so they will be able to produce a more robust forecast and analyze client enrollment by age.

Risk to the forecast is high due to it being a new forecast and few data points upon which to base a forecast.

Approval of the Forecasts

Representative Bergquist moved, and Senator Stanford seconded, to approve the forecasts as presented. The motion carried.

2024 Meeting Dates

The next meeting is scheduled for November 13, 2024, at 1:30 p.m.

The meeting adjourned at 2:22 p.m.

APPROVED AND ADOPTED BY THE CASELOAD FORECAST COUNCIL



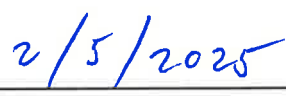
Representative Steve Bergquist, Chair



Date



Erik Cornellier, Executive Director



Date



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

MINUTES

Caseload Forecast Council (CFC)

November 13, 2024

John A. Cherberg Building, Conference Room ABC and Teams

Members Present: Representative Steve Bergquist, Chair
Director Pat Sullivan, OFM/Vice Chair
Senator Derek Stanford
Representative Chris Corry
Secretary Jilma Meneses, DSHS
Senator Linda Wilson

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

Others Present: Andrew Krawczyk, AAG/Office of the Attorney
General

Call to Order

Senator Stanford called the meeting to order at 1:30 p.m. and determined that a quorum was present.

Appointment of Chair

Senator Stanford noted that he has served as the Chair of the Caseload Forecast Council for a while now, and he would like to step down out of that role. Senator Stanford nominated Representative Bergquist to serve as Chair, and Director Sullivan seconded the motion.

Representative Bergquist thanked Senator Stanford, stated that he appreciated the opportunity, and added that it has been great to serve with Senator Stanford as Chair for quite a few years. He stated he is looking forward to taking on the role of Chair if the Council allows.

Senator Stanford asked if there was any further discussion of the motion and if there were any other nominations. No additional nominations were offered, and there was no further discussion. The Council approved the motion.

Appointment of Vice Chair

Representative Bergquist called for nominations for Vice Chair. Senator Stanford stated that traditionally the OFM director serves in the Vice Chair role. He acknowledged that the state is in a time of reorganization and suggested that they could have the current OFM Director as Vice Chair, and this could be changed later if needed. He also stated that he would be willing to serve as Vice Chair if that is preferred. Director Sullivan stated that either way was fine with him. He also acknowledged the upcoming transition and agreed that a change could be made at the next Council meeting if needed.

Senator Stanford nominated Director Sullivan for the Vice Chair position and Representative Bergquist seconded the motion. Representative Bergquist asked if there were any other nominations. No other nominations were given, and the Council approved the motion.

Executive Session

The Council moved to an Executive Session at 1:36 p.m. to evaluate the Qualifications of an Applicant for Public Employment or to Review the Performance of an Employee and to receive an update from an Attorney on Litigation pursuant to RCW 42.30.110. The regular meeting was reconvened at 1:55 p.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 and apply a merit increase of 2.5 percent. He noted that the Council had a concern about any conflict with a salary range limit, and noted that they would modify the action if a salary range limit was an issue. Secretary Meneses seconded the motion.

Representative Bergquist stated that Mr. Cornellier has been doing amazing work for the last year and a half, and he did not receive a merit increase last year. He feels that the increase is well deserved and reflects the quality of the work that is put forward for the Legislature and OFM.

The Council approved the motion pending any conflict with salary limits.

June 2024 Forecast Overview

Erik Cornellier thanked Senator Stanford for his service as Chair of the CFC and welcomed Representative Bergquist as the new Chair.

Then he presented the forecast overview. He noted that there are 15 forecasts that are up, eight down, and eight negligible or unchanged. Of the 15 that are up, about half of them are growing as a result of recent legislative expansions or are new programs where the enrollment has not stabilized yet.

Erik indicated that another theme for this cycle has been the removal of dampening assumptions when the data indicate continued growth or reductions. One of the perennial challenges in forecasting is deciding whether or when a forecaster should judgmentally dampen a trend because it is unlikely to

continue indefinitely at a pace above state population growth, or alternatively drive down to zero cases.

This forecast cycle the CFC removed some of those judgmental dampening assumptions, in both directions, that had not been performing well since prior forecast cycles.

Education

Paula Moore presented the K-12 and Higher Education forecasts.

Common Schools

Common Schools K-12 enrollment was up 0.4 percent from June to November, for 2025-27, mainly due to increased participation in Running Start, both during the summer and school year. Running Start summer is relatively new, and now Running Start students can participate in a higher course load during the school year. Future K-12 year-over-year growth is forecasted to decline slightly, as the kindergarten and first grade classes entering the K-12 system are smaller than the twelfth grade cohorts that are graduating.

Early Support for Infants and Toddlers (ESIT)

The ESIT forecast for November is 5.3 percent higher than June for the 2025-27 Biennium. In 2024, the Legislature broadened who could be counted for the ESIT caseload during the 2024 session. However, incorrect data was provided by the agency for both the fiscal note and the June forecast. The increase of 5.3 percent reflects data that correctly represents the policy change.

Special Education

Compared to June, the November Special Education forecast was higher by 1.0 percent for the 2025-27 Biennium. The reason is due to increases in special education students in the earlier grades. This forecast also assumes a shift of special education students between the Special Education PreK program into the Transitional Kindergarten (TK) program.

Bilingual Education

The Bilingual forecast, compared to June, was up 1.2 percent. Nearly all the growth is in grades 7-12.

Charter Schools

The Charter Schools forecast was down 9.3 percent from the June forecast. One school, Pullman Community Montessori, closed after the June Caseload Forecast Council Meeting. Five other schools have had lower than expected enrollment. The remaining schools are tracking well. Charters will continue to grow as there are schools adding grade levels. However, under current law, no new schools will be opened.

Transition to Kindergarten (TK)

The TK forecast was, on average, 36 percent higher than the June forecast. This was one of the forecasts with significantly revised assumptions about future growth. The forecast focused on predicting the supply of TK providers, basically the number of districts that will offer a TK program and how many classrooms the districts will offer. The forecast assumes an additional 135 classrooms will open each year, adding nearly 2,300 children per year. Paula noted the increase in TK also means that some students previously assumed to be served by the Special Education preschool program will now participate in special education through TK. She also noted an adjustment in the Early Childhood

Education and Assistance Program (ECEAP), as children will be served by TK rather than ECEAP. Representative Bergquist asked for a specific detail about the adjustment. Paula Moore confirmed with Erik Sund that about 1,700 children in the ECEAP expansion group would now be served in TK rather than ECEAP in School Year 2026-27.

College Bound Scholarship Program (CBSP)

The CBSP forecast, compared to June, was up 2.8 percent. The forecast variance is due to more students completing the Free Application for Federal Student Aid (FAFSA) over the summer. In June, all signals pointed to a reduction in FAFSA applications due to major technical issues. Nationally, colleges anticipated a five percent reduction in freshmen. Instead, that trend reversed over the summer. Based on preliminary information from Washington State University and Western Washington University, there are more low-income students attending this fall.

Washington College Grant (WCG)

WCG was increased 0.7 percent above the June forecast. Unlike CBSP, which serves a younger population, WCG serves a broader population. Older adult students were not as impacted by the FAFSA changes. However, based on FAFSA data, the forecast assumed WCG will experience an increase in students with the lowest incomes and a decrease in students with higher incomes.

Early Support for Infants and Toddlers (ESIT)

The ESIT forecast for November is 5.3 percent higher than June for the 2025-27 Biennium. In 2024, the Legislature broadened who could be counted for the ESIT caseload during the 2024 session. However, incorrect data was provided by the agency for both the fiscal note and the June forecast. The increase of 5.3 percent reflects data that correctly represents the policy change.

Corrections

Dr. Alex Ge presented the Adult Inmate forecast.

Adult Inmate

Dr. Ge explained that the November 2024 forecast for the adult inmate caseload is, on average, 4 percent lower than the June forecast for the 2025-27 Biennium. The main driver of the lower forecasted caseload is a reduction in male admissions, which came in 9 percent lower than the last forecast for the past five-month period from May through September of this year. As a matter of fact, the male admissions were basically flat and even decreased a bit in the last 24 months, so now male admissions are projected to grow at a slower pace based on the recent data. On the other hand, the female admissions and caseload came perfectly in line with the June forecast for the same five-month period, but they only account for 10 percent of total admissions, so they have a relatively smaller impact on the overall caseload compared to male admissions.

On the policy front, this forecast continues to include step adjustments from three recent bills: EHB 1324 concerning the scoring of prior juvenile offenses in sentencing range calculations and ESHB 1394 pertaining to sex offense registration requirements, are projected to lower the caseload by a maximum of 272 and 44 respectively. ESHB 1493 concerning impaired driving, which passed during the 2024 legislative session, is projected to raise the caseload by a maximum of around 150, but it will not start impacting the caseload until the second half of FY 2026.

Based on this November forecast, the inmate caseload is projected to grow about 1.2 percent each year in the next three fiscal years, which is slightly above the population growth for the underlying at-risk group.

Public Assistance

Working Families Tax Credit (WFTC)

Dr. Webb Sprague reported on both monthly and yearly counts, since WFTC is a yearly benefit with 80 percent of disbursement in March through June. The November 2024 forecast is 39,382 cases or 15.3 percent lower than the February 2024 forecast for FY 2025 and, on average, 13,775 cases or 5.3 percent lower than the June 2024 forecast for the 2025-27 Biennium. Monthly actuals are tracking, on average, 2,146 cases or 15.0 percent below the June forecast. Dr. Sprague noted the extreme seasonality; most expenditures and applications occur from March through May because of the tax cycle. The CFC forecasts a dampening increase in the total caseload through the forecast horizon with the same seasonal profile. Each year is forecasted to have higher uptake as the program becomes established and more widely known, but the increase in uptake will flatten as the program becomes fully established. Uptake assumptions are the biggest risk to the forecast.

Dr. Sprague reported that there are two changes leading to the decrease since June 2024: (1) The uptake assumptions were changed based on newly available data. The actual uptake rate using tax filing years 2023 and 2024 is lower than the original assumption that was based on one year of utilization data, and these newer rates were projected forward for subsequent forecasts. (2) Projections of the eligible population based on IRS data processed by the Department of Revenue have decreased.

ESA Aged, Blind, Disabled, Cash Grant (ABD)

Dr. Sprague reported that the November 2024 ABD forecast is 3,048 cases or 9.7 percent higher than the February 2024 forecast for FY 2025 and, on average, 2,654 cases or 6.7 percent lower than the June 2024 forecast for the 2025-27 Biennium. Actuals are tracking, on average, 224 cases or 0.7 percent below the June forecast. The variance in the current forecast is primarily driven by an overestimation of the effect of immigration in the June forecast. The caseload is expected to continue to grow strongly in the near term, then return to historical levels of growth in the 2025-27 Biennium. ABD Aged is forecast to continue to climb due to continued immigration trends which have seen a slight decline since the June forecast. ABD Disabled is forecasted to remain flat. Presumptive Supplemental Security Income is forecasted to climb in the next few months then flatten.

Working Connections Child Care (WCCC)

Erik Sund said that the WCCC forecast is, on average, 4.4 percent higher than the June forecast for the 2025-27 Biennium. Recent caseload growth in this program has been driven at least in large part by past legislative changes affecting eligibility standards and other parameters in the program. As the effects of those changes are more fully absorbed into the caseload, that impact should diminish with time. For now, though, the rate of caseload growth has actually increased since December of last year, which was the last month of data for the June forecast.

Early indicators for caseload participation in the future, which includes counts of households that have been deemed eligible and have found provider authorizations, suggest that the caseload will continue to grow at least through the remainder of the calendar year. Then, in July of 2025, a delayed provision of the Fair Start for Kids Act of 2021, which will increase the income limit for the program from 60

percent of state median income adjusted for family size to 75 percent of SMI, will provide another cause for caseload growth.

Medical Assistance

Low Income Adults

Dr. Shidong Zhang reported that the November forecast for the Low-Income Adults caseload is 4.8 percent higher than the June forecast for the 2025-27 Biennium. There are two primary reasons for the November forecast change:

- Firstly, the November forecast includes a new state-funded Apple Health Expansion program for low-income adults that are ineligible for Medicaid coverage because of citizenship and immigration status.
- Secondly, there are more enrollments than predicted in the June forecast in recent months

The November forecast performance will be determined by the post-eligibility review process and open enrollments in the following years.

Aging and Long-Term Support

Home and Community Services

Dr. Zhang reported that the November forecast for the Home and Community Services caseload is 3.9 percent higher than the June forecast for the 2025-27 Biennium. In recent months, the caseload experienced higher growth rates across all component programs. For the Adult Family Homes program, new enrollments and transitions to this program have been increasing more rapidly, likely due to increased provider capacities.

Another large program, the Individual Providers (IP) program; after the implementation of the Consumer Directed Employer (CDE) program, was in a transition period with slower growth but seems to be going back to the prior trajectory recently.

DDA Total Personal Care

Dr. Elaine Deschamps presented the DDA Total Personal Care forecast. The November 2024 forecast is 4.4 percent higher than the June forecast for the 2025-27 Biennium. This is primarily due to the Individual Provider caseload returning to pre-COVID growth rates and an increase in both supply and demand in the Adult Family Homes caseload. These growth trends are consistent with those in the ALTSA / Long Term Care caseloads.

Dependency Involved Children and Youth

Dr. Deschamps presented the Dependency Involved Children and Youth forecast. The November 2024 forecast is 41.0 percent lower than the June forecast for the 2025-27 Biennium. This is due to slower than projected initial enrollment, slower than projected growth, and the nature of this being a new caseload with only six data points upon which to build a forecast.

Approval of the Forecasts

Senator Stanford moved, and Senator Wilson seconded, to approve the forecasts as presented. The Council approved the motion.

OFM State Population Forecast

Mike Mohrman, State Demographer at OFM, and Rob Kemp, Senior Data Scientist at OFM, presented the state population forecast.

Approval of the Minutes

Senator Stanford moved to approve the minutes of the June 13, 2024 Meeting minutes. Director Sullivan seconded the motion. The Council approved the motion.

2025 Meeting Dates

The proposed meeting dates for 2025 were included in the materials sent to members. The next meeting is scheduled for February 14 at 1:30 p.m.

Adjournment

The meeting adjourned at 2:31 p.m.

APPROVED AND ADOPTED BY THE CASELOAD FORECAST COUNCIL



Representative Steve Bergquist, Chair

3-5-25

Date



Erik Cornellier, Executive Director

3/11/2025

Date