



STATE OF WASHINGTON  
CASELOAD FORECAST COUNCIL  
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## MINUTES

Caseload Forecast Council (CFC)

February 14, 2025

John A. Cherberg Building, Conference Room ABC and Teams

**Members Present:** Representative Steve Bergquist, Chair  
Director K.D. Chapman-See, OFM/Vice Chair  
Representative Chris Corry  
Secretary Cheryl Strange, DSHS

**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

Representative Bergquist called the meeting to order at 1:32 p.m. and determined that a quorum was present.

### Appointment of Vice Chair

Representative Bergquist explained that the Council lost the Vice Chair from the last meeting and that the Vice Chair role has historically been filled by the Director of the Office of Financial Management (OFM). Representative Bergquist called for nominations for Vice Chair. Secretary Strange nominated K. D. Chapman-See to be the Vice Chair of the Caseload Forecast Council in her role as Director of the Office of Financial Management. Representative Bergquist seconded the motion. Representative Bergquist stated that he hoped Director Chapman-See would be willing to accept the position if voted in by the Council. Director Chapman-See stated she thought that would be appropriate and she would be happy to serve in that capacity.

The motion was approved by the Council.

### **Approval of the Minutes**

Representative Bergquist asked if there were any questions about the minutes of the November 13, 2024 Council meeting. Secretary Strange noted that she and Director Chapman-See were not in attendance at that meeting. Representative Bergquist stated that this would not exclude them from voting on the minutes. He added that he had reviewed the minutes, thought they looked fine, and would entertain a motion to approve the minutes.

Director Chapman-See moved, and Secretary Strange seconded, to approve the minutes as presented. The Council approved the motion.

### **February 2025 Forecast Overview**

Erik Cornellier provided the forecast overview. He noted that there are 11 forecasts that are higher than the November 2024 forecasts, eight that are down, and 13 that are negligibly different or unchanged.

Three issues drive many of the forecast changes. First, there is substantial growth in the higher education forecasts due to state and federal policy changes. Second, there were higher than expected applications for the Washington Families' Tax Credit. Third, there are reductions in immigrant caseloads in response to federal policy changes.

### **Education**

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

#### **Common Schools**

Paula Moore reported that Common Schools enrollment is down 0.4 percent for the biennium. Future growth will decline as smaller cohorts are entering school relative to the larger cohorts that are graduating. For the next biennium, the forecast variance is due to lower participation in kindergarten, first grade, and lower entries from immigration.

#### **Special Education**

The Special Education forecast is down 0.4 percent reflecting the decrease in the Common Schools forecast. Funding for the Age K-21 portion of the Special Education caseload is indexed to 16 percent of each district's total full-time equivalent enrollment.

#### **Bilingual Education**

The Bilingual Education forecast is projected to decline 2.3 percent for the next biennium due to lower projected immigration in response to the new executive orders that impact refugees, asylum seekers, and those applying for temporary protected status. The adjustment was modeled off a blend of rates from the 2017-18, 2018-19, and 2023-24 school years. There is an assumption in this forecast that arrivals from special immigrant visas will still occur as those are authorized under the executive orders. Special immigrant visas were offered to people in Afghanistan who assisted the US military and their immediate families.

#### **Higher Education**

Paula Moore presented the higher education forecasts. She noted that February is the first point in time for the forecast cycle when College Bound Scholarship Program (CBSP) actuals are incorporated

into the forecast for the 2024-25 school year. She noted this year has been difficult to forecast due to the delay in launching the Free Application for Federal Student Aid (FAFSA), which caused delays in packaging financial aid due to issues with submitting and processing applications.

#### **College Bound Scholarship Program (CBSP)**

The CBSP forecast is up 15.3 percent due to Senate Bill 5904 which (1) removed the five-year time limit for using the CBSP, and (2) expanded the number of academic credits that it covers. The time limit removal added over 3,400 people. The credit expansion added 592. The original legislative estimate was 60 people total.

#### **Washington College Grant (WCG)**

The WCG forecast was also subject to similar difficulties with the FAFSA. This forecast is up 11.3 percent, or over 12,000 students. Growth is due to more students being eligible under the revised federal formula for calculating financial aid.

Paula Moore explained how the federal changes impacted Washington State's financial aid program. She explained that when a student applies for financial aid, a FAFSA is filled out to determine eligibility. To receive a Washington College Grant, a student needs to be a resident, income eligible, and in good academic standing if currently enrolled. Then the FAFSA calculations would determine whether an income-eligible student has any need after all other financial resources are factored in. Some students are found to have enough other resources to pay for college that they would not receive a college grant.

The formula for determining a student's need was overhauled. There are several types of resources that used to count that no longer count or were reduced. Examples include child support, military housing allowances for those living off post, contributions to 401Ks, and the size of income exclusions for single parents. All these factors increased the number of people eligible. The growth in WCG outpaced the actual enrollment changes at the universities and community and technical colleges.

Paula Moore also noted that the apprenticeship component of the grant is being implemented faster than previously assumed. Additionally, the community and technical colleges will be allowed to process applications next biennium.

#### **Corrections**

Erik Cornellier noted that for the most part the corrections forecasts are tracking well and are negligibly different from the November forecasts. He noted that there was a change in the Community Custody Violator forecast that was related to issues with the underlying actual data.

#### **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 February 2025 forecast is 74,076 cases or 34.1 percent higher than the November 2024 forecast for FY 2025 and, on average, 61,316 cases or 24.8 percent higher for the 2025-27 Biennium.

This increased forecast is primarily due to incorporating a tenfold jump in electronic filers in late January 2025 compared to the same period in January 2024 and 2023. These filers include those using

TurboTax, which came online for WFTC this year, but also includes non-TurboTax electronic filers as well. The jump may also be partially due to outreach by the department in the last year. The forecast increase is balanced somewhat with a decrease in projected Individual Taxpayer Identification Number (ITIN) filers and a decrease in the total count of the federal Earned Income Tax Credit (EITC) eligible population in 2026 and 2027.

Actuals will become available by mid-April and will be incorporated into the monthly profile with the June 2025 forecast. Approvals will only begin being processed March 1. The CFC has also scheduled monthly tracking meetings with the Department of Revenue (DOR) because of the unexpected electronic filers and the change to the forecast.

Recent monthly actuals are tracking, on average, 639 cases or 26.9 percent above the November forecast. This fact also supports the increase described above.

Dr. Sprague noted the extreme seasonality of disbursements; most expenditures and applications occur from March through May because of the tax cycle. DOR does not start approving applications until March 1.

The primary trend methodology is to forecast 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 to uptake will flatten as the program becomes fully established. Uptake assumptions are a risk to the forecast.

Erik Cornellier clarified that, while this forecast includes the recent spike in January cases now and in the future, there are no additional assumptions about continued growth in other months or in the size of the future January cohorts. There are no assumptions about new electronic filing methods, other than TurboTax, coming online in future years.

#### **Temporary Assistance for Needy Families (TANF)**

Dr. Webb Sprague reported that the February 2025 TANF forecast is 408 cases or 1.1 percent lower than the November 2024 forecast for FY 2025 and, on average, 2,560 cases or 6.7 percent lower for the 2025-27 Biennium. Actuals are tracking, on average, 19 cases or 0.1 percent above the November forecast.

The change to the biennial forecast is due to assumptions about the immigrant population under recent federal policy changes restricting many of the immigration programs and categories with clients accessing TANF benefits. The immigrant step assumes there will be a drop in certain legal immigrant populations for WorkFirst families beginning in August, a conservative assumption. Dr. Sprague noted that they have not modeled any change to the undocumented parent population in Child Only families.

Erik Cornellier added that across the forecasts there are no direct assumptions about reductions in undocumented immigrants from deportations. The federal government has signaled that it is focusing its deportation efforts on individuals with criminal records at this time, which would not directly impact most of the forecasts.

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

Dr. Webb Sprague reported that the February 2025 ABD forecast is seven cases or 0.0 percent higher than the November 2024 forecast for FY 2025 and, on average, 116 cases or 0.3 percent lower for the 2025-27 Biennium. Actuals are tracking, on average, 33 cases or 0.1 percent above the November forecast.

This forecast includes a reduction of the immigrant population under recent federal policy changes restricting many of the immigration programs and categories with clients accessing ABD benefits. That reduction is mostly balanced by a higher underlying forecast.

ABD Aged is forecasted to continue to climb at a reduced rate compared to the June forecast, with a climbing primary trend offset partially by a projected decline in immigrants on the program. ABD Disabled is forecasted to decline gradually due to a projected decline in immigrants on the program. Presumptive Supplemental Security Income (PSSI) is forecasted to climb slightly in the next few months, then flatten, driven mostly by the primary trend with a very small effect due to a projected decline in immigrants on the program.

### **Working Connections Child Care (WCCC)**

Erik Sund reported that the WCCC forecast is 3.1 percent lower for FY 2025 and 3.9 percent lower for the 2025-27 Biennium. He noted that there are a few factors behind the changes, the first being the recognition of actuals that have been tracking lower than the November 2024 forecast. Actuals have been 1.8 percent lower than the forecast, but most of that is a drop in the summer. There's typically a drop at the end of every school year in the WCCC caseload, and it was higher than expected this year, so the adjustment to the ongoing rate of growth is smaller.

The forecast also includes a new step adjustment modeling the downstream impact on WCCC of the impact of federal immigration policy on the TANF caseload. Currently, about 13.4 percent of the TANF caseload is also using Working Connections. If clients are moving out of TANF, the CFC is assuming that they're also moving out of the WCCC caseload.

Partially offsetting the first two factors is a third change, which is a revision to a preexisting step adjustment in the forecast model associated with delayed provisions of the Fair Start for Kids Act of 2021. That provision will increase the maximum allowable family income in working connections from 60 percent of the State Median Income (SMI) to 75 percent of SMI. Both prior forecasts and discussions around the legislation when it was first working through the legislative process all assumed that it would take about 48 months for that full impact to be reached. After a review of how a previous increase to the income limit played out, the rollout period for that step adjustment has been shortened to 30 months. That change pushes the forecast higher than it would have otherwise been.

Most of the risks to the forecast are tied to one or another of the steps, whether they're older steps that are still in the model or the immigration step and the move to 75 percent of SMI, where the CFC has limited data.

Representative Bergquist asked about the timing of the increase in the income limit to 75 percent of SMI and whether there would be a significant impact on the February forecast if the implementation of that increase were delayed. Erik Sund responded that the change is scheduled to take place on July 1, 2025 and that a delay in change would have a significant impact on the forecast.

## **Medical Assistance**

### **Low-Income Adults**

Dr. Shidong Zhang reported that the Low-Income Adults caseload has been tracking 0.3 percent above the November forecast, and the February forecast is 1.5 percent higher than the November forecast for the next biennium.

One reason for the February forecast change is the incorporation of step adjustments for new federal immigration policies expected to impact the forecast. Another reason is that under SB 5632, passed in the 2024 Legislative Session, striking workers who are going to lose their health insurance are eligible to apply for the Health Benefit Exchange (HBE) and Health Care Authority's (HCA) medical programs. Variances of the first three tracking months are in the range of 0.1 percent, but the tracking variance for October jumped to 1 percent, which is ten times larger because of the seven-week Boeing strike. Many striking workers enrolled in the HBE and HCA medical programs.

This caseload is expected to drop continuously. Although the Health Care Authority's Post Eligibility Review (PER) processing is much improved in recent months, there are still a substantial number of pending PER cases generated in the pandemic continuous eligibility unwinding period.

This forecast includes a step for lower immigration by refugees, asylees, and TPS clients, and it mirrors the timing of the TANF assumption.

### **Aged, Disabled and Other Medical**

The Aged, Disabled and Other Medical caseload is tracking 0.4 percent above the November forecast, and the February forecast is 1.9 percent higher than the November forecast for the next biennium.

More than half of the February forecast increase is due to the growth of the Qualified Medicare Beneficiary (QMB) program since its income limit increased from 100 percent of the federal poverty level (FPL) to 110 percent of FPL. The main contributors to the growth of QMB are increasing new enrollments and more existing clients in the CN Aged program that transitioned to the QMB program.

For the other two large programs in this caseload, CN Aged and CN Disabled, the February forecasts for both are higher but by less than one percent. The CN Aged program continues to increase at a marginally higher rate. The CN Disabled program has been declining since the start of the unwinding period, and in recent months, it seems to have stabilized.

### **Aging and Long-Term Support**

#### **Nursing Homes**

Dr. Shidong Zhang reported that the Nursing Homes caseload is tracking 1.5 percent below the November forecast, and the February forecast is 1.6 percent lower than the November forecast for the next biennium.

The lower February forecast is primarily due to an increasing number of nursing home clients transitioning to the Adult Family Homes (AFH) program and the Agency Providers (AP) program after the pandemic. Another reason is that effective August 1, 2024, ten nursing home facilities changed ownership and delayed their data reporting. As a result, the lag adjusted historical data for this February forecast may be low, but the data was adjusted to mitigate the impacts. But as before, there is a possibility that the data could be still low.

### Home and Community Services

The Home and Community Services caseload is tracking 0.2 percent above the November forecast, and the February 2025 forecast is 1.2 percent higher for the next biennium.

This caseload, like other caseloads for the aged population, is expected to grow steadily as the aged population is growing. In recent months, the Adult Residential Care program experienced a higher growth rate. The Assisted Living program has been declining for more than five years and then returned to the growing trend recently. There are six programs in this caseload. The other programs in this caseload were also adjusted upward based on newly available data.

### Dependency Involved Children and Youth

Dr. Elaine Deschamps reported that this is a fairly new forecast per HB 1188 enacted during the 2023 Legislative Session. The February forecast is 27 cases or 44 percent higher for the next biennium. This is due to a change in the way actuals are being counted – from approvals to actual enrollments in a waiver service. This change in actuals corresponds with the shift from a state-only funded caseload to a Medicaid-matched waiver caseload effective in September 2024. The caseload now reflects clients who are both functionally and financially eligible for a waiver service.

### Approval of the Forecasts

Secretary Strange moved, and Representative Corry seconded, to approve the forecasts as presented. The Council approved the motion.

### Next Meeting

The next meeting is scheduled for June 11 at 1:30 p.m.

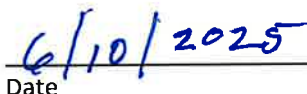
### Adjournment

The meeting adjourned at 2:19 p.m.

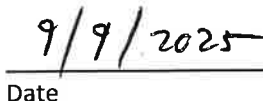
### APPROVED AND ADOPTED BY THE CASELOAD FORECAST COUNCIL



Representative Steve Bergquist, Chair

  
Date

Erik Cornellier, Executive Director

  
Date