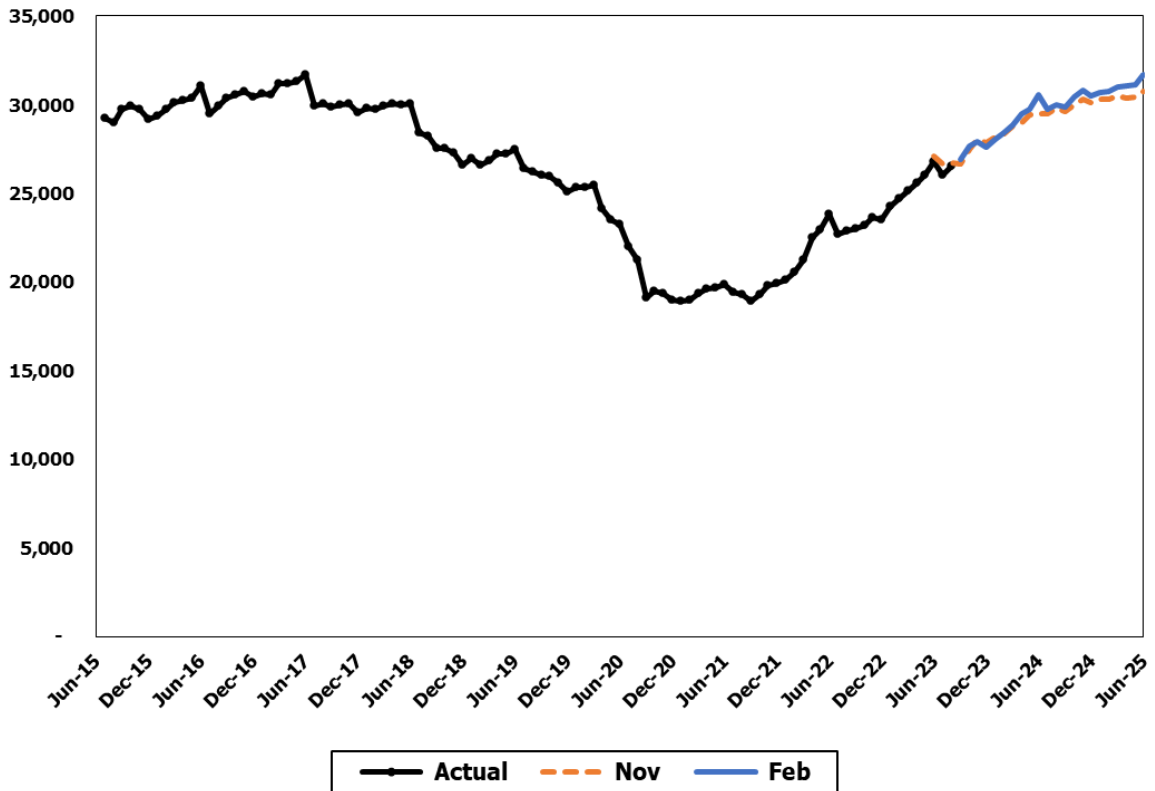


Working Connections Child Care (WCCC)

Caseload Forecast Council
February 16, 2024

Working Connections Child Care



The Working Connections Child Care (WCCC) caseload is made up of households who are working (or were formerly working) with incomes of up to 60 percent of the state median income, as adjusted for family size, and recipients (or recent former recipients) of Temporary Assistance for Needy Families (TANF).

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-23 Forecast	Feb-24 Forecast	Nov to Feb Difference	Percent Difference
2024	28,063	28,149	86	0.3%
2025	30,170	30,641	471	1.6%

The February 2024 forecast is, on average, 279 cases or 1.0 percent higher than the November 2023 forecast for the 2023-25 Biennium.

Tracking the Current Forecast

Month	Nov-23		Percent	
	Forecast	Actual	Variance	Variance
Jun-23	27,094	26,755	-339	-1.3%
Jul-23	26,670	26,049	-621	-2.3%
Aug-23	26,711	26,561	-150	-0.6%

Actuals are tracking, on average, 370 cases or 1.4 percent below the November forecast. The negative variance observed over the summer months is partly due to inadequate accounting for the resumption of normal patterns of seasonality after the COVID-19 pandemic in the November forecast. When this is factored in, the underlying trend of the actuals nearer to that of the November forecast. The February forecast also reflects the increase in cases from July to August.

Fiscal Year Caseload Change

	Fiscal Year	Caseload	Change from Prior Year	Percent Change
Actual	2016	29,806		
	2017	30,674	868	2.9%
	2018	29,924	-750	-2.4%
	2019	27,325	-2,599	-8.7%
	2020	25,203	-2,122	-7.8%
	2021	19,712	-5,491	-21.8%
	2022	20,648	936	4.7%
	2023	24,287	3,639	17.6%
Forecast	2024	28,149	3,862	15.9%
	2025	30,641	2,492	8.9%

The February forecast for WCCC includes step adjustments modeling the impact of 2SHB 1447 (Chapter 418, Laws of 2023), which removes certain limitations on eligibility for Temporary Assistance for Needy Families (TANF), and 2SSB 5225 (Chapter 222, Laws of 2023), which directly expands eligibility for WCCC. Both laws are expected to increase the number of households participating in WCCC. 2SSB 5225 provides higher income limits for child care employees using WCCC, prohibits the consideration of applicants' and children's immigration status when determining WCCC eligibility, and allows eligibility for families with children whose parents or guardians were parties or victims in a specialty or therapeutic court case within the last six months.

Risks to the Forecast

Risks to the February 2024 forecast are moderate to high. The pandemic affected patterns of work, child care utilization, and the delivery of child care services, leading in turn to a substantial decline in the WCCC caseload. This forecast incorporates both an assumed continuation of the caseload recovery from the effects of the COVID-19 pandemic and additional caseload growth resulting from changes to eligibility criteria and copayment costs in the program under the Fair Start for Kids Act (Chapter 199, Laws of 2021) and other recent legislation. As the effects of policy changes are absorbed into the caseload the rate of growth will likely begin to slow. The model uses a damped trend to account for this, but the timing and rate of the expected slowdown is uncertain.

Forecast Contact:
 Erik Sund
 360-664-9374
 erik.sund@cfc.wa.gov

*Forecast Contact:
Erik Sund
360-664-9374
erik.sund@cfc.wa.gov*