



## Agency Recommendation Summary

The Department of Children, Youth, and Families (DCYF) requests \$16,597,000 (\$16,306,000 GF-S, \$291,000 IV-E) in the 2023-25 Biennial Budget to eliminate all background check fees paid by individuals who must pass a background check to provide services, work with, or have unsupervised access to children and youth, create capacity for DCYF to do fingerprinting for background checks in every DCYF office, permanently remove fees for child care licensing, and to change the timeframe for foster care initial licenses from 90 days to 6 months for relatives. All of these changes will support providers and kin move successfully through our licensing process.

## Program Recommendation Summary

### 010 - Children and Families Services

The Department of Children, Youth, and Families (DCYF) requests \$16,597,000 (\$16,306,000 GF-S, \$291,000 IV-E) in the 2023-25 Biennial Budget to eliminate all background check fees paid by individuals who must pass a background check to provide services, work with, or have unsupervised access to children and youth, create capacity for DCYF to do fingerprinting for background checks in every DCYF office, permanently remove fees for child care licensing, and to change the timeframe for foster care initial licenses from 90 days to 6 months for relatives. All of these changes will support providers and kin move successfully through our licensing process.

### 030 - Early Learning

The Department of Children, Youth, and Families (DCYF) requests \$16,597,000 (\$16,306,000 GF-S, \$291,000 IV-E) in the 2023-25 Biennial Budget to eliminate all background check fees paid by individuals who must pass a background check to provide services, work with, or have unsupervised access to children and youth, create capacity for DCYF to do fingerprinting for background checks in every DCYF office, permanently remove fees for child care licensing, and to change the timeframe for foster care initial licenses from 90 days to 6 months for relatives. All of these changes will support providers and kin move successfully through our licensing process.

### 090 - Program Support

The Department of Children, Youth, and Families (DCYF) requests \$16,597,000 (\$16,306,000 GF-S, \$291,000 IV-E) in the 2023-25 Biennial Budget to eliminate all background check fees paid by individuals who must pass a background check to provide services, work with, or have unsupervised access to children and youth, create capacity for DCYF to do fingerprinting for background checks in every DCYF office, permanently remove fees for child care licensing, and to change the timeframe for foster care initial licenses from 90 days to 6 months for relatives. All of these changes will support providers and kin move successfully through our licensing process.

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
<b>Staffing</b>						
FTEs	6.0	11.8	8.9	11.8	11.8	11.8
<b>Operating Expenditures</b>						
Fund 001 - 1	\$3,539	\$5,153	<b>\$8,692</b>	\$5,039	\$4,974	<b>\$10,013</b>
Fund 001 - 1	\$1,679	\$1,679	<b>\$3,358</b>	\$1,679	\$1,679	<b>\$3,358</b>
Fund 001 - A	\$101	\$190	<b>\$291</b>	\$181	\$181	<b>\$362</b>
Fund 001 - 1	\$1,962	\$2,294	<b>\$4,256</b>	\$2,260	\$2,260	<b>\$4,520</b>
Total Expenditures	<b>\$7,281</b>	<b>\$9,316</b>	<b>\$16,597</b>	<b>\$9,159</b>	<b>\$9,094</b>	<b>\$18,253</b>
<b>Revenue</b>						
001 - 0393	\$101	\$190	<b>\$291</b>	\$181	\$181	<b>\$362</b>
17M - 0299	(\$1,581)	(\$1,580)	<b>(\$3,161)</b>	(\$1,580)	(\$1,580)	<b>(\$3,160)</b>
Total Revenue	<b>(\$1,480)</b>	<b>(\$1,390)</b>	<b>(\$2,870)</b>	<b>(\$1,399)</b>	<b>(\$1,399)</b>	<b>(\$2,798)</b>

## Decision Package Description

Successfully completing and maintaining a license (child care or foster care) through DCYF requires applicants to pass through a number of steps that require time and up front resources. These required elements can present a barrier for people to become licensed, thereby reducing the number of qualified child care providers and relative caregivers who are able to care for our states most vulnerable residents. COVID-19 exacerbated problems with workforce and access to DCYF services, and we are anticipating feeling the effects of this monumental upheaval for years to come.

**Background Check Fees:** Background checks are required for individuals who want to adopt, be licensed, provide services or work in child care, foster care or group care, or have placement or unsupervised access to children or youth receiving DCYF services. A background check

is made up of different components and each at a cost to DCYF, the individual or both.

The federal background check requirements under the Child Care and Development Block Grant Act expanded for child care, and individuals must now complete a background check before they can begin work, volunteer, or provide early learning services. This previously happened to group care applicants when the Family First Prevention Services Act prohibited individuals from starting work until they complete the background check. Both federal acts do not allow individuals to be supervised around children or youth while the background check is in progress. This directly impacts an agency, center, facility and provider to quickly recruit new staff, maintain safe staff-to-child ratios, and to professionally develop their staff.

The processing of background check fees can take up to five (5) days, which delays the start of the background check process for child care. In a field that is struggling with high turnover and low wages, this extra delay leads to loss of potential employees, and in some cases closed classrooms. Approximately 40% of fee payments are paid by check received in the mail, which causes further delays. Individuals are further penalized if they fail to complete the background check and must reapply or if their payment is insufficient and rejected and have to pay the fees again.

DCYF is required by law to pay background check fees for individuals who provide foster care services to children and youth placed in out-of-home care. However, individuals who provide licensed child care or early learning services, contracted services, work at a group care facility, or as a child placing agency staff must pay or have their employer pay these fees.

The proposal is for DCYF to pay these fees for all individuals and providers required to background check for any DCYF purpose. Eliminating these fees ensures equitable opportunity for individuals and providers to provide culturally representative and responsive services to children and youth without delaying the background check process or having an unintended consequence of discouraging a qualified individual from applying who cannot afford to pay.

Fingerprint Vendor Capacity: Fingerprinting is reliant on a contracted vendor that continues to experience site closures or limited capacity that impacts our providers' ability to fingerprint in a timely manner. This further delays the background check process and increases turnaround times. DCYF and the Department of Social and Health Services piloted a different fingerprint vendor in 2021, but that vendor also had site closures and availability worse than our current vendor. Delays in the background check process pose a barrier for child care providers hiring staff in an already strained market, and for timely placement options for children in protective services. When providers or relatives have to drive long distances to have their fingerprint taken this represents an additional up-front burden that may deter people from engaging with our systems.

DCYF requests funding to create capacity for DCYF to do fingerprints for background checks at DCYF offices. On a monthly basis DCYF processes more than 2,600 background check requests which require a federal fingerprint background check. DCYF anticipates that a majority of these fingerprints will take place at DCYF offices because our sites would have more hours and would be where many of these providers and relatives are already visiting. DCYF's plan is to add 11.75 FTE, spread in DCYF offices across the state. The agency will maintain its contract with the statewide fingerprint vendor so that the option to fingerprint at DCYF offices will represent added capacity in the system. This will ensure timely fingerprinting and faster background check turnaround times. This will also allow DCYF applicants the potential to complete their background check application and fingerprints at the same time. DCYF's fingerprint vendor has agreed to provide the necessary equipment and training to all offices at no additional cost to the state.

Child Care Licensing Fees: The pandemic has shown a spotlight on the longstanding financial challenges child care providers have faced. Hiring and maintaining staff, cleaning and renovation costs, and lower attendance have all put a financial strain on the small businesses and non-profits that make up the majority of the child care industry. In 2021 the legislature took steps to reduce some of the financial burden on providers by eliminating the licensing fees they are required to pay to obtain and maintain a license. However, this change was only made temporarily, with licensing fees set to be reinstated on July 1, 2023. DCYF is proposing to make permanent the changes that were temporarily instituted by SB 5151 (Sec. 29), which eliminated licensing fees for child care providers. For family home child care facilities, the cost for initial licensure and the cost annually thereafter is \$30. For centers and school-age facilities, the cost for initial licensure and annually thereafter is \$125 for the first twelve children, plus \$12 per year for each additional child up to capacity.

Initial Licenses: DCYF has a goal dramatically reducing the number of children in non-relative foster care and promoting a culture of supporting kinship in placement and permanency across the child welfare system. [RCW 74.15.120](#) allows for DCYF to issue initial foster care licenses instead of full licenses to agencies, facilities, and relatives. Currently the RCW allows for agencies and facilities to have this initial license for up to six months, renewable for up to two years. However, relatives are only afforded 90 days with no option to renew. HB 1227 – Protecting the rights of families responding to allegations of abuse or neglect of a child, passed in 2021, directed DCYF to issue initial licenses in cases where

the court places with a relative or other suitable person, and that person has indicated a desire to become a licensed foster parent. DCYF must provide a foster care maintenance payment beginning on the date that DCYF approves the initial license. However, there is no provision for relatives or suitable others to retain their foster care maintenance payments after those 90 days are over if they haven't received a full license yet, even if they are still working through the licensing process. This creates a financial cliff for kin at a critical time in placement and is inequitable compared to the process for agencies and facilities.

DCYF proposes to offer initial licenses to all new kin providers and to extend the timeframe from 90 days to up to 6 months, with an option to renew for up to 2 years. This will ensure that kinship providers have access to crucial financial resources at a time when they have unexpectedly begun caring for a child in their home, and will ensure they do not experience sudden loss of funds while pursuing licensing.

## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

DCYF is requesting funding to create capacity for DCYF to do fingerprints and background checks at DCYF offices and to continue funding that was added in the 2021 legislature that reduced some of the financial burden on providers by eliminating the licensing fees they are required to pay to obtain and maintain a license.

### **Detailed Assumptions and Calculations:**

**The Department of Children, Youth, and Families (DCYF) requests \$16,597,000 (\$16,306,000 GF-S) in the 2023-25 Biennium**

#### **Background Check Fees Program 090:**

Direct Client Services: Total expenditures for the 23-25 Biennium are \$3,161,000 GF-S.

- This assumption is based on annual background check fee waivers by program:
  1. Childcare (2,560 child care application fees x \$12 each = \$368,640 and 1,637 fingerprint-based x \$45.75 each = \$898,713)
  2. Child Placing Agencies (509 name-based x \$5.17 = \$2,632)
  3. Contracted Service Providers (917 name-based x \$5.17 = \$4,741 and 128 fingerprint-based x \$73.80 = \$9,446)
  4. Group Care (1,112 name-based x \$5.17 = \$5,749 and 3,934 fingerprint-based x \$73.80 = \$290,329)

**Child Care Licensing Fees Program 030:** Total expenditures for the 23-25 Biennium is \$3,358,000 GF-S.

Direct Client Services:

- \$1,678,642 in FY24, and each fiscal year thereafter. These assumptions are based on license fees in FY 20. In FY20, there were total license fees of \$1,678,642. Since FY20 the total number of child care providers has remained relatively static at over 5,000 providers per year. Projected revenue is also anticipated to have remained static at \$1,678,642 per year.

**Initial Licenses Program 010:** Total expenditures for the 23-25 Biennium are \$8,692,000 GF-S.

Direct Client Services:

- Because initial licenses do not meet the qualifications for Title IV-E reimbursement, foster care maintenance payments offered to recipients of an initial license will come from state funds. DCYF is requesting the funding to cover these payments for a portion of those initial licenses to go beyond the current 90-day limit.

This bill adds an extra 3-month period in which unlicensed homes can remain on the initial license and receive state funded foster care maintenance payments with the option to extend this period up to 2 years. For the purposes of this cost estimate only the mandatory additional 3-month period was considered and not the discretionary 2-year period.

Using kinship placements from 2021 as a basis, there are an average of 246 kinship placements per month lasting longer than 10 days (and therefore potentially eligible for initial license foster care maintenance payments). In order to estimate the portion of this population that would be receiving initial license foster care maintenance payments, the current percentage of homes that become licensed within the first 6 months was used, along with the average length of placement in kin homes to reduce the full kin placement population to just those expected to receive these payments during the additional 3 months being added by this bill. It is assumed that the department will maintain the current time to process licenses, however this assumption is dependent on funding in the Licensed Kinship Placements DP which would increase the number of licensors.

Based on the passage of HB1227 the total number of licensed kin are expected to increase and without additional staffing the time to license would also increase.

Currently, average time from application to a license is 4-5 months. Average foster care maintenance payments, which change based on age and need of the child, are \$1,021.31 per month based on forecasted per capita foster care maintenance costs. The total cost of increased foster care maintenance payments from initial licenses is estimated as follows:

1. FY 2024: 3,465 months \* \$1,021.31 = \$3,538,839
2. FY 2025: 5,046 months \* \$1,021.31 = \$5,153,530
3. FY 2026: 4,934 months \* \$1,021.31 = \$5,039,144
4. FY 2027: 4,870 months \* \$1,021.31 = \$4,973,780

### **Workforce Assumptions:**

**The Department of Children, Youth, and Families (DCYF) requests \$1,385,000 (\$1,094,000 GF-S, \$291,000 IV-E) and 8.9 FTEs in the 2023-2025 Biennium**

#### Fingerprint Vendor Capacity:

11.75 Customer Services Specialist 2's (CSS2), ongoing to increase fingerprinting capacity in the state for its applicants. These costs include salaries, benefits, goods and services, travel, one-time capital outlays in the first two fiscal years.

- FY24: 6.0 FTEs \$482,253
- FY25: 11.75 FTEs \$903,011
- FY26: 11.75 FTEs \$859,811
- FY27: 11.75 FTEs \$859,811

There are 2,600 background checks requiring fingerprints per month. The assumption for these FTEs is based on the number of appointments in DCYF offices:

- 175 appointments = 1 FTE
- 100-174 appointments = 0.5 FTE
- 50-99 appointments = .25 FTE
- 0-49 appointments will be absorbed within existing staff.

These FTEs will be phased in with a pilot in 3 offices in FY23, and a full phase-in of three FTE every six months over the 23-25 biennium until we reach the 11.75 FTEs requested.

- 11.75 Customer Service Specialist 2's (CS2) 6.0 ongoing, starting FY24, and an additional 5.75 ongoing in FY25, to screen in, fingerprint, and process official documentation for the fingerprint services across DCYF offices for Child Care, Child Placing Agencies, Contracted Service Providers, and Group Care.

## **Strategic and Performance Outcomes**

### **Strategic Framework:**

We have heard from the Keeping Families Together Coalition and the Child Welfare Advocacy Committee about the need to provide more supports to kinship providers. We have had no pushback on this proposal from those groups.

**Performance Outcomes:**

Background Check Fees and Fingerprint Vendor Capacity: Individuals will be able to start work in child care up to 5 days sooner by eliminating the requirement for individuals to pay background check fees and also increasing capacity for fingerprinting in the state. We anticipate that this will increase diversity and inclusion of providers by removing a financial barrier and ensuring capacity in rural areas that disproportionately impacts persons of color and low-income individuals who are qualified to work with and provide services to children and youth.

Child Care Licensing Fees: DCYF anticipates that making the child care licensing fee waiver permanent will prevent some loss of child care providers in the system.

Initial Licenses: DCYF has a goal to support more kinship placements through the licensing process. We are anticipating seeing a meaningful uptake in the number of providers who go for the initial license, and a corresponding increase in the number of kin who make it through the full licensing process. We will measure the increase in both of these license types over the biennium to assess progress on our policies and our corresponding kin supports.

**Equity Impacts****Community outreach and engagement:**

Robust stakeholder engagement, ELAC, ELAA, SEIU 925, providers, EL advocates, parent groups.

DCYF service providers are disproportionately staffed and owned by people of color and women, and in large part make very low wages. Additionally, because we see ongoing disproportionalities in our child welfare system, we know that our kinship providers are themselves predominantly BIPOC. For historically marginalized communities, the cost of time and money that these fees and licensing timelines represent can present undue burdens to business ownership, employment, and kinship placement. In the case of background check fees, state law already prohibits DCYF from charging fees to foster families, but staff at child care, child placing agency staff, contracted service providers, individuals providing early learning services, and group care employees have an unequal burden by being required to pay these fees. In the case of the initial licenses, state law gives a longer timeframe for holding this license to agencies and facilities than it does to relatives, resulting in disproportionate access to the corresponding resources that an initial license confers.

**Disproportional Impact Considerations:**

Supports service providers who are disproportionately staffed and owned by people of color, esp. women. Kinship families are also predominantly BIPOC.

**Target Populations or Communities:**

Licensed child care providers, group foster care providers, kinship families.

## Other Collateral Connections

### **Puget Sound Recovery:**

Not applicable

### **State Workforce Impacts:**

Not applicable

### **Intergovernmental:**

DCYF does not anticipate pushback from the Federal Bureau of Investigation or the Washington State Patrol as they will continue to receive their fees and without interruption. This does not impact tribes because DCYF is not authorized and cannot complete background checks on their behalf or for their purposes. There are no guidelines from ACF requiring DCYF to collect licensing fees from child care providers. We do not anticipate any issues from our federal partners as they already allow for states to issue initial licenses.

### **Stakeholder Response:**

These proposals are the result of multiple advocacy efforts from a range of provider and family groups over multiple years. The Washington Childcare Centers Association initiated the proposal for the state to cover the background check fees, which were included in the governor, house and senate's budgets for FY23. We have heard from the Centers Association, SEIU 925, the Washington Head Start and ECEAP Association, the Early Care and Education Consortium, the Early Learning Advisory Committee and its Provider Supports Subcommittee, Child Care Aware of Washington, and numerous other groups about the need to improve the background check process for child care providers, and all have been supportive of these items in our proposal. These groups are similarly supportive of making the licensing fee waiver permanent.

### **State Facilities Impacts:**

Not applicable

### **Changes from Current Law:**

The following statutes will need to be changed:

- [RCW 43.43.837](#) Background check fees – *amend*
- [RCW 43.216.270](#) Background check requirement for child care and early learning – *amend*
- [RCW 43.216.272](#) DCYF background check application fee – *repeal*
- [RCW 43.216.273](#) DCYF background check clearance account – *repeal*
- [RCW 74.15.120](#) Initial Licenses – *amend*
- [RCW 43.216.300](#) Licensing fees – *repeal and add language prohibiting DCYF from charging fees*
- [RCW 43.216.271](#) Background check clearance registry—Background application form – *amend*

DCYF is still assessing which rules would need to be changed but we know the following would need to be amended:

- [WAC 110-04-0090](#) Who pays for the background check?
- [WAC 110-06-0040](#) Background clearance requirements
- [WAC 110-06-0044](#) Background check fees

DCYF's contract with the electronic fingerprint vendor will need to modify the requirement for the vendor to collect fingerprinting, FBI and WSP fees from the individual and for the vendor to bill DCYF for these costs.

### **Legal or Administrative Mandates:**

Not applicable

### IT Addendum

**Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

### Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Obj. N	\$3,539	\$5,153	<b>\$8,692</b>	\$5,039	\$4,974	<b>\$10,013</b>
Obj. N	\$1,679	\$1,679	<b>\$3,358</b>	\$1,679	\$1,679	<b>\$3,358</b>
Obj. A	\$282	\$552	<b>\$834</b>	\$552	\$552	<b>\$1,104</b>
Obj. B	\$132	\$258	<b>\$390</b>	\$258	\$258	<b>\$516</b>
Obj. E	\$11	\$23	<b>\$34</b>	\$23	\$23	<b>\$46</b>
Obj. G	\$14	\$28	<b>\$42</b>	\$28	\$28	<b>\$56</b>
Obj. J	\$43	\$43	<b>\$86</b>	\$0	\$0	<b>\$0</b>
Obj. N	\$1,581	\$1,580	<b>\$3,161</b>	\$1,580	\$1,580	<b>\$3,160</b>

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