


<input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected <input type="checkbox"/> Supplemental	1999 Session LRB or Bill No. -- Adm. Rule No. LRB-2939/2 SB 199
Amendment No. if Applicable	
FISCAL ESTIMATE DOA-2048 N(R10/94)	
Subject CHILD CARE	
Fiscal Effect <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>State: <input type="checkbox"/> No State Fiscal Effect</p> <p>Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation</p> <p> <input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Create New Appropriation </p> </div> <div style="width: 35%; border-left: 1px solid black; padding-left: 5px;"> <p> <input checked="" type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs </p> </div> </div>	
<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>Local: <input type="checkbox"/> No local government costs</p> <p>1. <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory</p> <p>2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> </div> <div style="width: 30%;"> <p>3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> <p>4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> </div> <div style="width: 35%;"> <p>5. Types of Local Government Units Affected</p> <p> <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts </p> </div> </div>	
Fund Sources Affected: <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	Affected Ch. 20 Appropriations: 20.445(3)(ct)
Assumptions Used in Arriving at Fiscal Estimate <p>This bill requires the Department to provide grants to public or nonprofit agencies for creation of early childhood councils to assess programs, develop plans to increase supply of care and advise the county on funding issues. The bill appropriates \$100,000 GPR in 1999-00 and 2000-01 for these grants.</p> <p>The bill also requires at least 20 hours of training for child care providers (and their employees) who receive funding for certain purposes, including providing at-risk or low-income child care services or a child care start-up, expansion or quality improvement grant. This may limit the number of persons who are eligible to provide child care services to recipients; however, the impact of this requirement on the supply of providers cannot be estimated.</p> <p>The bill expands eligibility for low-income child care services to people of all ages who are participating in an education or training program that is designed to lead directly to paid employment, provided they meet the income eligibility threshold. Under the bill, this threshold is increased from approximately 58% of the state median income (165% of the federal poverty level, or \$21,995 for a family of three) to 85% of median income (243% of FPL, or \$32,391 for a family of three), the maximum level under federal law. In addition, the bill directs the Department to implement a co-payment schedule such that a parent would not have to pay more than 10% of his or her family income for the cost of child care received. It is anticipated that these changes will result in increased costs above current estimates of approximately \$42.3 million annually. This assumes the number of children receiving subsidies will increase by approximately 6,000 over the existing estimates of caseload resulting from the current co-payment schedule. This caseload increase will result in additional costs to counties for determining eligibility for child care subsidies, but these costs should be able to be absorbed by agencies in their administrative allocations.</p> <p>(Continued on next page...)</p>	
Long-Range Fiscal Implications	

Assumptions Used in Arriving at Fiscal Estimate (Continued)

This bill creates a child care career education scholarship fund to be distributed by the Department or subgrantee to child care providers and individuals employed by child care providers. The scholarships must be not less than \$500 and not more than \$5,000 and may be used for tuition, books and up to three hours of paid leave from the student's place of employment. The bill allocates \$1,000,000 in SFY2000 and \$2,500,000 in SFY2001 from an existing allocation. No additional funds are provided for this activity and the funds allocated will reduce funding for other existing programs allocated from that appropriation.

This bill will exempt custodial parents with a child less than 1 year old and who are receiving a custodial parent of an infant benefit, from W-2 work requirements (currently a custodial parent of a child less than 12 weeks old may be exempt from the W-2 work requirements). It is estimated that this provision will save about \$5.5 million in the first year of W-2, followed by increased costs of about \$2.9 million annually on an ongoing basis. In the first year of implementation, this bill will lower child care costs by about \$16 million because parents that stay home with their child will be ineligible for child care subsidies. Benefit costs will increase by an estimated \$10 million due to a reduced number of cases leaving W-2 for employment. Administrative costs are projected to increase by about \$500,000. In future years, the Department will incur child care and benefit costs for the custodial parents required to enroll in a work program due to the child's first birthday. In effect, this bill would increase the average length of stay of a recipient in the W-2 program and consequently increase program costs.

Since federal funding under Child Care and the Temporary Assistance for Needy Families (TANF) block grant are sum-certain, funding needed would have to come either from GPR or from a reallocation from the TANF block.

Agency/Prepared by:(Name & Phone No.) DWD / Nikolay, Bob (266-9475)	Authorized Signature/Telephone No. 	Date 6/25/99
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FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect DOA-2047(R10/94)	<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Updated	LRB or Bill No./Adm Rule No. LRB-2939/2	Amendment No. SB 199
	<input type="checkbox"/> Corrected	<input type="checkbox"/> Supplemental		

Subject
CHILD CARE

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:	Annualized Fiscal Impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$0	- \$0
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs	\$0	- \$0
Local Assistance	\$0	- \$0
Aids to Individuals or Organizations	\$55,700,000	- \$0
TOTAL State Costs by Category	\$55,700,000	- \$0
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$0	- \$0
FED	\$55,700,000	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$100,000	- \$0
GPR Earned	\$0	- \$0
FED	\$0	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
TOTAL State Revenues:	\$100,000	- \$0

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
Net Change in Costs:	\$55,700,000	\$0
Net Change in Revenues:	\$100,000	\$0

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