

## Department of Planning and Budget 2002 Fiscal Impact Statement

**1. Bill Number** SB648

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron** Miller, Y.B.

**3. Committee** Rules

**4. Title** Business Advisory Commission on Quality Child Care Financing.

**5. Summary/Purpose:**

SB648 establishes the Business Advisory Commission on Quality Child Care Financing. The committee shall have 17 members whose purpose is to advise the Governor on strategies to secure adequate financing of child care facilities and services in order to promote economic growth and the general welfare of the people of the Commonwealth. The commission shall meet at least four times a year; and although members of the commission shall not be compensated, they shall be reimbursed all reasonable and necessary expenditure incurred as committee members.

**6. Fiscal impact estimates are preliminary.** See Item 8.

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2002-03	\$74,793	0.97	GF
2002-03	\$79,260	1.03	NGF
2003-04	\$64,597	0.97	GF
2003-04	\$68,456	1.03	NGF

**7. Budget amendment necessary:** Yes. Item 361, subprogram 56101 – Regulation of Adult and Child Welfare Facilities and Agencies

**8. Fiscal implications:**

SB648 does not address the source of staff support for the Business Advisory Commission on Quality Child Care Financing. The Department of Social Services' licensing division currently has no staff available to absorb the volume and complexity of the work needed by the commission to meet its objectives. The department can only absorb the added work involved in providing documents and analysis related to its normal mandates and responsibilities with its existing staff.

Given the magnitude of the commission's objectives, the licensing division will need to hire two additional staff persons to help meet the research, analysis, and strategic planning needs of the commission. The additional staff will include a Program Administration Specialist II (pay band 5) and an Office Administration Specialist II (pay band 2). The Program

Administration Specialist I will coordinate resources, conduct research, interpret and analyze data, and compile reports. The Office Administration Specialist II will provide clerical support by gathering data, typing, filing, copying, preparing mass mailings, etc.

Using mid-range salaries of \$26,121 and \$53,278 for pay bands 2 and 5 respectively, salary and benefits will total \$108,914 annually. Funds to cover the routine operating costs of postage, office, travel, supplies, telephone, rent, etc., are estimated at \$6,400 per employee. One-time costs are included for personal computers, office furniture, and equipment.

In addition, the department has factored in the cost of reimbursed expenses for members of the commission. The reimbursed expenses for members of the Child Day Care Council were used as a basis for estimating these costs. The eighteen members of the Child Day Care Council were reimbursed approximately \$12,000 for their expenses in FY2001 by the licensing division. This equates to \$667 per member. Based on this, \$11,339 (\$667 x 17) of estimated reimbursed expenses have been included for members of the Business Advisory Commission on Quality Child Care Financing annually. Personnel, operating, and equipment costs, as well as reimbursement of member's expenses total \$154,053 in FY2003 and \$133,053 in FY2004. Costs in the licensing division are cost allocated and the estimated general fund and the federal reimbursement match rates were used. The current match rates for licensing are 48.55% and 51.45% respectively.

#### **SB648 Cost Summary**

	<b>FY2003</b>	<b>FY2004</b>
Salaries and Benefits	\$108,914	\$108,914
Operating Costs	\$12,800	\$12,800
One-time Equipment	\$21,000	-
Commission Members Expenditures	\$ 11,339	\$11,339
<b>Total Cost</b>	<b>\$154,053</b>	<b>\$133,053</b>

Federal Funds	\$79,260	\$68,456
General Funds	\$74,793	\$64,597

**9. Specific agency or political subdivisions affected:**  
Virginia Department of Social Services

**10. Technical amendment necessary:** No.

**11. Other comments:**

**Date:** 02/04/02/laf

**Document:** G:\Fis\2002\Sb648.Doc

cc: Secretary of Health and Human Resources