

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB1216

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: McClure

3. Committee: Appropriations

4. Title: Employee Child Care Assistance Program and Fund; established.

5. Summary: Establishes the Employee Child Care Assistance Program and Fund to provide matching funds to in order to incentivize employers to contribute to the child care costs of their employees. To participate in the program, an employer is required to enter into an agreement with its employee and an eligible mixed-delivery provider, defined in the bill, to make child care contributions to the eligible mixed-delivery provider on behalf of the employee, and the Department of Education will issue a state match directly to such eligible mixed-delivery provider or to a third-party administrator. The bill provides that the state match shall not exceed 100 percent of the employer contribution made by an employer on behalf of an employee whose annual gross wages are equal to or less than the local median household income, defined in the bill, and shall not exceed 80 percent of the employer contribution made by an employer on behalf of an employee whose annual gross wages are greater than the local median household income. The bill requires that 25 percent of the Fund be used to provide state matching funds for employees of small businesses.

6. Budget Amendment Necessary: Yes, Item 117 and Item 124.

7. Fiscal Impact Estimates: Preliminary, see item 8.

8. Fiscal Implications: The additional state cost for the Employee Child Care Assistance Program and Fund cannot be determined, as any cost is dependent on the amount of funding appropriated by the General Assembly for such grants. If funded, the Department of Education would require an additional position to administer the program at a total annual cost of \$146,362, including salary, benefits, and technology.

The Governor's introduced budget for the 2024-2026 Biennium, HB/SB 30, 2024 General Assembly Session, includes \$1,000,000 general fund in FY25 to establish early learning and child care accounts hosted on a digital wallet platform. This platform could be used to support payments from this program.

9. Specific Agency or Political Subdivisions Affected: Department of Education

10. Technical Amendment Necessary: No

11. Other Comments: None