

## Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** HB627

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

2. **Patron:** Bennett-Parker

3. **Committee:** Appropriations

4. **Title:** Early childhood care; Child Care Subsidy Program expansion; provision of free child care.

5. **Summary:** Requires the Child Care Subsidy Program, established pursuant to applicable regulations, to be expanded to assist employees of any licensed child care provider in the Commonwealth with the costs of child care by providing any such employee who meets the eligibility criteria set forth in the bill child care at no cost to and with no copayment required of such employee. The bill directs the Board of Education to adopt any regulations and the Department of Education to implement any policies and procedures necessary for the implementation and administration of the provisions of the bill.

6. **Budget Amendment Necessary:** No

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

8. **Fiscal Implications:** This bill would establish a new categorical eligibility for the Child Care Subsidy Program (CCSP). The Department of Education (DOE) estimates that approximately 3,600 additional children that are currently ineligible for CCSP would become eligible as a result of this bill. This estimate is based on existing DOE data of teachers in publicly funded early childhood care and education providers and an assumption of 1.7 children per teacher.

The Governor's introduced budget for the 2024-2026 biennium, HB/SB 30, 2024 General Assembly Session, provides federal Child Care and Development Fund (CCDF) appropriation as well as approximately \$173.3 million general fund in FY25, \$39.0 million American Rescue Plan Act State and Local Fiscal Recovery Funds in FY25, and \$237.8 million general fund in FY26 for CSSP.

Based on early childhood workforce survey data, DOE estimates that of the newly eligible children, about 2,100 are currently ineligible under state regulations but would be eligible under the federal CCSP program requirements based on income and could be supported by federal CCDF funds at an estimated cost of approximately \$19.7 million per year.

Approximately 1,500 children would be federally ineligible and would be required to be supported by state general funds only, at an estimated cost of approximately \$14.1 million per

year. These estimates assume that half of children served will be age birth to five at an average annual cost per child of \$13,309, and half of children served will be school age at an average annual cost per child of \$5,476.

The appropriation provided in HB/SB 30 is intended to support approximately the same number of children that are currently served. If expanded eligibility for CCSP leads to additional enrollment that cannot be accommodated, waitlists would be utilized to manage enrollment and costs within the available appropriation.

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

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None