

PREPARED BY: Liz Hruska
 DATE PREPARED: February 23, 2007
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LB 327

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(1,934,000)		(1,934,000)	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(1,934,000)		(1,934,000)	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill would cap child care reimbursement rates at the greater of 1) the fiftieth percentile of the market rate or 2) no less than the rate for the FY 2007. The cap would be in place for the two-year period beginning July 1, 2007.

The Department of Health and Human Services Finance and Support is required by statute to conduct a market rate survey for child care every other year and adjust the rates paid by the department to between the sixtieth and seventy-fifth percentile. The rate adjustment is provided starting at the beginning of each biennial budget period. The market rate survey has not been completed for the adjustment that is required beginning July 1, 2007, but an estimate of the increase was requested in the agency's budget. The requested increase was \$1,934,000 each year for the next two fiscal years. The Appropriations Committee's preliminary recommendation includes the projected market rate increase. This bill would reduce the amount needed for child care subsidies by the requested amount for the biennium.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Elton Larson	DATE	2/6/07	PHONE	471-2526
COMMENTS					
DEPARTMENT OF HEALTH AND HUMAN SERVICES FINANCE & SUPPORT: Concur.					