

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	678,472		814,167	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>678,472</b>		<b>814,167</b>	

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

Transitional child care is provided to families who are transitioning off of the Aid to Dependent Children Program. This bill extends transitional child care to other low-income households. At redetermination, if a family's income exceeds 140% of the federal poverty level (FPL), transitional child care will be provided until the household income exceeds 185% of FPL.

In 2014, 1,296 participants lost the child care subsidy due to income exceeding eligibility requirements. Additionally it is assumed some did not reapply at redetermination because they were aware that their income exceeded the eligibility limits. The Department of Health and Human Services assumed that number could be 50% of those who did reapply at redetermination. Using the average monthly cost per child of \$418.81, the total cost for 10 months in FY 16 is \$678,472 GF and \$814,167 GF in FY 17 for a full year.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 81	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 1/30/15	PHONE: 471-4173
COMMENTS: Agency analysis and estimate of fiscal impact appear reasonable.			

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Mason

Date Prepared:(4) 1-27-15

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	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$678,472		\$814,167	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$678,472		\$814,167	

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

**Explanation of Estimate:**

This bill would require the Department of Health and Human Services (DHHS) to extend transitional child care to other eligibility groups receiving a child care subsidy (not just those who are transitioning off of an ADC grant). The expansion would include those in the Low Income Family (LF) and the Low Income Sliding Fee Schedule (LC).

A fiscal impact to DHHS would result from some child care participants continuing to receive child care subsidy who might have otherwise lost eligibility due to households exceeding current income standards.

The number of affected recipients is substantiated based on historical data from calendar year 2014. During this time period, there were 1,296 participants who lost eligibility due to exceeding income standards in the LC and LF eligibility groups. It is unknown how many of the recipients who exceeded income standards have income in the range of 140%-185% of the Federal Poverty Level. It is therefore assumed that all recipients in the LC group who lose eligibility due to income exceeding standards would be eligible for transitional child care. Additionally, it is unknown how many recipients did not submit an application for redetermination because the recipient household realized that it exceeded income standards. For the purpose of this analysis, this is assumed to be 648 recipients (half of the total who lost eligibility due to reporting an income that exceeded program standards). Therefore, this analysis estimates that the bill would affect 1944 recipients per year (162 per month).

The cost of transitional child care provided under this bill is assumed to be similar to the transitional child care offered to those transitioning from an ADC grant. For the first 6 months of SFY15, this monthly average cost for a recipient of transitional child care was \$418.81.

Therefore, the total fiscal impact is estimated at \$678,472 (162 × \$418.81 × 10 months) for FY2015-2016 and \$814,167 for FY2016-2017. All expenditures would be from the general fund because child care reimbursement from federal funds is from a block grant which is fully allocated.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2015-2016	2016-2017
		15-16	16-17	EXPENDITURES	EXPENDITURES

Benefits.....		
Operating.....		
Travel.....		
Capital Outlay.....		
Aid.....	\$678,472	\$814,167
Capital Improvements.....		
<b>TOTAL.....</b>	<b>\$678,472</b>	<b>\$814,167</b>