OFFICE OF FISCAL ANALYSIS

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sSB-936
AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE OFFICE OF EARLY CHILDHOOD.
As Amended by Senate "A" (LCO 9948)
Senate Calendar No.: 151

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 20 $	FY 21 $
Office of Early Childhood	GF - Potential Cost	See Below	See Below
Office of Early Childhood	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

Section 1 of the bill results in a potential cost associated with increasing income eligibility for the Care4Kids program, at the discretion of the commissioner. The bill aligns the maximum level with that allowed under federal law, which is currently 85% of the statewide median income (SMI). The actual cost depends on how the commissioner implements the change. If eligibility is expanded for new applicants, the Office of Early Childhood (OEC) could experience a significant cost associated with families whose incomes are between 50% and 85% SMI who are not currently eligible for the program. If the change is made to maintain eligibility for current program enrollees until their income exceeds 85% SMI, the state will experience a cost for those families who are currently enrolled and whose income is between 50% SMI and 85% SMI. If the change is made to reflect the federal maximum income limit and OEC continues current practice (families are ineligible when income exceeds 50% SMI), there is no

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fiscal impact. For reference, the overall average subsidy amount is approximately $725 per month. Actual subsidies vary by provider type, child age, level of care and region of the state.

Sections 2 and 3 result in a potential cost associated with allowing foster children to participate in state-subsidized childcare for up to 45 days without certain medical records. The actual cost to the state for supporting children earlier than they otherwise would have depends on: (1) the number of applicable foster children and (2) the subsidy rate for each child.

Section 7 results in a potential revenue gain by establishing a civil penalty of up to $5,000 for failure of certain childcare providers to provide proper notification of a closure. The extent of the revenue gain depends on the number of childcare providers who do not provide at least 30 days notice prior to closing.

The bill also allows children 32 to 36 months of age to be three years of age for purposes of enrolling in a preschool program under certain conditions. This may result in a cost shift between infant/toddler and preschool program costs but is not anticipated to result in a net fiscal impact to the state or municipalities.

The bill makes other changes that are technical, conforming and clarifying in nature and have no fiscal impact.

Senate “A” allows certain children to be considered three years of age for purposes of preschool enrollment resulting in the cost shift described above. The amendment makes other technical and conforming changes that have no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.