

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version: HB 89
Fiscal Note Number: _____
() Publish Date: _____

Identifier: CSHB089-DOH-CCB-02-07-24
Title: DAY CARE ASSIST./CHILD CARE GRANT PROGRAM
Sponsor: COULOMBE
Requester: (H) FIN

Department: Department of Health
Appropriation: Public Assistance
Allocation: Child Care Benefits
OMB Component Number: 1897

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2025 Appropriation Requested	Included in Governor's FY2025 Request	Out-Year Cost Estimates					
			FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
OPERATING EXPENDITURES								
Personal Services	203.8		203.8	203.8	203.8	203.8	203.8	203.8
Travel								
Services	28.0		28.0	28.0	28.0	28.0	28.0	28.0
Commodities	8.0		2.0	2.0	2.0	2.0	2.0	2.0
Capital Outlay								
Grants & Benefits	5,858.4		5,858.4	5,858.4	5,858.4	5,858.4	5,858.4	5,858.4
Miscellaneous								
Total Operating	6,098.2	0.0	6,092.2	6,092.2	6,092.2	6,092.2	6,092.2	6,092.2

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	228.1		225.1	225.1	225.1	225.1	225.1	225.1
1003 GF/Match (UGF)	228.1		225.1	225.1	225.1	225.1	225.1	225.1
1004 Gen Fund (UGF)	5,642.0		5,642.0	5,642.0	5,642.0	5,642.0	5,642.0	5,642.0
Total	6,098.2	0.0	6,092.2	6,092.2	6,092.2	6,092.2	6,092.2	6,092.2

Positions

Full-time	2.0		2.0	2.0	2.0	2.0	2.0	2.0
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/25

Why this fiscal note differs from previous version/comments:

Updated to correct an error relating to personal services costs and provided additional details on the cost breakdown for clarity.

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Agency: Department of Health

Phone: (907)500-3306
Date: 02/05/2024
Date: 02/07/24

REPORTED OUT OF
HFC 02/09/2024

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

BILL NO. CSHB 89

Analysis

The Child Care Assistance Program currently pays child care providers on behalf of participating families who receive a subsidy. Federal Child Care and Development Fund (CCDF) rules require family income limits not exceed 85% of the state median income and that families pay a portion of their child care cost, or co-payment (co-pay) to their child care provider. Family co-pays are based on a sliding fee scale (Child Care Assistance Family Income and Contribution Schedule).

If the income eligibility standards were increased to 105 percent of the state median income, approximately 18,000 additional children age 12 and under would meet the eligibility criteria. Currently, about 7 percent of income eligible families are utilizing the Child Care Assistance Program. If utilization patterns remained the same, an additional 1,200 - 1,300 children may use the Child Care Assistance Program. Any subsidy that is approved based on eligibility above 85 percent of state median income cannot be covered by the federal Child Care Development Fund and would need to be covered by state general fund dollars.

% of State Median Income for Family	Parent Monthly SMI	7% Family Copay	Avg. State Rate	Subsidy Amt
Number of Children 86-90% SMI	\$ 8,235	\$ 576	\$ 993	\$ 417
Number of Children 91-95% SMI	\$ 8,693	\$ 609	\$ 993	\$ 384
Number of Children 96-100% SMI	\$ 9,150	\$ 641	\$ 993	\$ 352
Number of Children 101-105% SMI	\$ 9,608	\$ 673	\$ 993	\$ 320

	# of Children 0-12	Est # Children utilizing	Monthly	Annually
Number of Children 86-90% SMI	3,115	218	\$ 90,927	\$ 1,091,122
Number of Children 91-95% SMI	7,461	522	\$ 200,552	\$ 2,406,620
Number of Children 96-100% SMI	4,100	287	\$ 101,024	\$ 1,212,288
Number of Children 101-105% SMI	3,467	243	\$ 77,661	\$ 931,931
Totals		1,270	\$ 470,163	\$ 5,641,960

The projected cost to provide a subsidy to families above 85% of state median income, and up to 105% state median income is approximately \$5,641,960.

To administer the increase to eligibility standards, the Child Care Program Office requires one Accounting Technician 1 and one Program Coordinator 1 to manage the additional work and process requests for payment. This also requires increasing grant funding to four Child Care Assistance Program grantees so each grantee can fund one new Eligibility Technicians to administer the program on behalf of the state.

Personal Services:

One full-time, range 12, step B, Anchorage Accounting Technician 1 for \$83.7 annually including benefits
One full-time, range 18, step C, Anchorage Program Coordinator 1 for \$120.1 annually including benefits

Services: \$28.0 annually or \$14.0 per position for chargeback costs.

Commodities: \$2.0 annually or \$1.0 per position.

One-time commodities costs: \$6.0 or \$3.0 per position in the first year for computers, software, and office equipment.

Grants: \$216.5 to support grantee staffing to process additional applications and \$5,642.0 additional increased subsidy benefit.