

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

This bill allows school-age child care programs operating in the same facility as an accredited or approved school under the Department of Education regulations that meet those standards for the care and protection of children to be deemed to meet licensing standards for licenses issued by the Department of Health and Human Services.

Before and after school programs are currently not required to be licensed and are not regulated by the Department of Health and Human Services. This bill would allow those programs currently not licensed or regulated to obtain a child care license and come under regulation by the State with different less restrictive standards than non-school-based licensed child care providers. The bill would likely increase the number of before and after school programs that would be licensed. State licensure enables the programs to charge a fee to parents and also makes the programs eligible to receive payments through the child care subsidy program.

Although there are children in before and after school programs who are not presently accessing the subsidy program who would if there program sought licensure under the provisions in this bill, the extent to which that would occur cannot be determined, but does not appear to be significant. Two entities connected to most of the before and after school programs were contacted. In Omaha, the Youth Collective operates 31 programs. Of those 23 are in elementary schools. Nine are licensed and the 14 remaining are currently seeking licensure or intend to with or without this bill. The eight middle school programs have no intention of seeking licensure. Beyond the School Bells is a statewide public-private partnerships that collaborates with programs across the state. Eighty percent of their programs are licensed currently. Those that aren't are in smaller communities and only a few of those will likely seek licensure. New programs that may start as a result of the less restrictive regulations, likely would attract kids from other existing programs, as kids in this age group would need to be in the care of someone or a program.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1034	AM:	AGENCY/POLT. SUB: Department of Health and Human Services	
REVIEWED BY: Gary Bush	DATE: 01/31/18	PHONE: (402) 471-4161	
COMMENTS: Unable to comment as no estimate of the impact was provided.			

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 Michalski

Date Prepared 1-18-18

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	<u>FY 2018-2019</u>		<u>FY 2019-2020</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

Explanation of Estimate:

LB 1034 would make changes in the inspection process for licensed school age only child care programs operated in a facility that has been approved or accredited in accordance to the Nebraska Department of Education regulations. Inspections which currently meet federal requirements are being conducted by Child Care Licensing Specialist. If a program received a provisional or operating licensing under the proposed legislation, and then wanted to be a federal child care subsidy provider, an additional inspection may need to take place to ensure Federal Child Care Development Fund (CCDF) regulatory compliance.

Any increased expenditure on child care aid that result from LB1034 will need to be funded with general funds. Currently all available federal funds and general fund allocation dedicated to child care aid are expected to be fully expended. Aid expenditures are calculated based on per capita costs from SFY17. Annual per capita child care subsidy expenditures for non-special needs children are \$3,540; for children with special needs, \$5,411. Approximately 4.5% of School Age children receiving subsidy in SFY16 and SFY17 are children with special needs. DHHS acknowledges that it is not possible to determine the number of children who may need a child care subsidy as a result of LB 1034.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2018-2019	2019-2020
		18-19	19-20	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				\$0	\$0