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FISCAL IMPACT REPORT

SPONSOR:	Lopez	DATE TYPED:	2/9/00	HB	
SHORT TITLE:	Reimbursement Rates for Child Care Providers			SB	283
				ANALYST:	Segura

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
				Recurring	GF
\$ 3,400.0					

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

Children, Youth and Families Department (CYFD)

LFC Files

SUMMARY

Synopsis of Bill

Senate Bill 283 appropriates \$3,400.0 from the general fund to CYFD for funding an increase in reimbursement rates for child care providers in urban areas. This is based on a market rate survey.

Significant Issues

Senate Bill 283 contains an emergency clause. The funding is available for FY00 and FY01 and will revert any unexpended or unencumbered balance remaining at the end of FY01.

FISCAL IMPLICATIONS

Senate Bill 283 appropriates \$3,400.0 from the general fund and is appropriated for FY00 and FY01.

ADMINISTRATIVE IMPLICATIONS

The CYFD already is administering child care programs, the enactment of this legislation would have minimal administrative impact to the department.

OTHER SUBSTANTIVE ISSUES

In FY00 legislature appropriated \$3,500.0 from TANF fund to support approximately sixty-five percent of the cost to reach market rate. The justification presented by the department is based on a 1997 department market survey; the rate paid to providers is considerably below market rate in many categories of child care.

The CYFD requested an additional \$2,400.0 to increase the reimbursement rates for child care in FY01, which according to the department would fund the remaining need to reach the market rate. The \$2,400.0 is included in the version of HB-2.

POSSIBLE QUESTION

Is the appropriation of \$3,400.0 in Senate Bill 283 an additional amount to the \$5,900.0 already in HB-2 for child care rate increases? Is the market rate survey different than the one cited by CYFD?

RS/prr