

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2018 REGULAR SESSION**

MEASURE

2018 BR NUMBER **1182**

HOUSE BILL NUMBER **342**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to the transfer of the Division of Child Care.**

SPONSOR **Representative Meade**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: **Cabinet for Health and Family Services; Education and Workforce Development Cabinet**

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2017-2018	2018-2019	2019-2020	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		(Indeterminable)	(Indeterminable)	(Indeterminable)
EXPENDITURES				
NET EFFECT		(Indeterminable)	(Indeterminable)	(Indeterminable)

() indicates a decrease/negative

MEASURE'S PURPOSE: The purpose of the measure is to transfer the Division of Child Care within the Department for Community Based Services (DCBS) in the Cabinet for Health and Family Services (CHFS, Cabinet) to the Education and Workforce Development Cabinet.

PROVISIONS/MECHANICS: Section 1 creates a new section of KRS Chapter 151B to establish the Division of Child Care within the Education and Workforce Development Cabinet.

Section 2 amends KRS 199.8983 to conform.

Section 3 abolishes the Division of Child Care within the DCBS in CHFS and transfers all personnel, records, files, equipment, and funds to the Division of Child Care within the Education and Workforce Development Cabinet.

FISCAL EXPLANATION: CHFS estimates that House Bill 342 could have an impact on its Federal Funds. The Child Care Development Fund (CCDF) provides the federal funding for the programs administered by the Division of Child Care within CHFS, and the state is required to

provide matching funds. The Fiscal Year 2018 budget for Division of Child Care is a total of approximately \$128.6 million, which consists of \$92 million in Federal Funds, \$26 million in General Fund, \$72,000 in Restricted Funds, and \$10 million in Tobacco Funds.

The Cabinet reports that under federal rules, CCDF funds may not be used for students enrolled in grades 1 through 12 for services provided during the regular school day, services for which students receive academic credit, or instructional services that supplant or duplicate the program of any public or private school. Transferring the Division of Child Care to the Education and Workforce Development Cabinet would require that education and child care funding not be comingled in order to maintain compliance with the federal rules regarding use of CCDF funds. The Cabinet also reports that the transfer of the Division of Child Care to the Education and Workforce Development Cabinet would have to be submitted for approval by the U.S. Department of Health and Human Services. The Cabinet also reports that the transfer of the Division of Child Care from CHFS to the Education and Workforce Development Cabinet could have an impact on Federal Funds as currently allocated within CHFS.

DATA SOURCE(S): Cabinet for Health and Family Services

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