

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2022 REGULAR SESSION**

MEASURE

2022 BR NUMBER 1297

HOUSE BILL NUMBER 499

TITLE AN ACT relating to employee child-care assistance, making an appropriation therefor, and declaring an emergency.

SPONSOR Representative Samara Heavrin

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Department for Community Based Services

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2021-2022	2022-2023	2023-2024	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		Indeterminable	Indeterminable	Indeterminable
EXPENDITURES		\$15,000,000		
NET EFFECT		(\$15,000,000)		

() indicates a decrease/negative

PURPOSE OF MEASURE: The purpose of the measure is to establish the Employee Child-Care Assistance Partnership program, which will be administered within the Cabinet for Health and Family Services (CHFS) by the Department for Community Based Services (DCBS). The measure also establishes a fund known as the Employee Child-Care Assistance Partnership fund.

FISCAL EXPLANATION: The legislation provides a \$15,000,000 General Fund appropriation in fiscal year 2022-2023 to DCBS to be deposited into the Employee Child Care Assistance Partnership fund to support the match requirements of the bill and support the administrative operations of the program. Five percent of the fund balance is allocated to administrative support in fiscal year 2022-2023, and three percent of the fund balance is allocated to administrative support in every fiscal year thereafter. It is indeterminable if these allocations are sufficient to support the ongoing administration of the program.

CHFS shall review contracts submitted by employers who want to contribute to their employees' child-care expenditures. If the employee, employer, and child-care provider meet the eligibility requirements, then CHFS will match the contribution made by the employer up to 100 percent, as long as there is a positive fund balance. A waiting list will be established for contracts that

cannot be paid due to a negative fund balance. Moneys remaining in the fund at the close of the fiscal year shall not lapse and shall be carried forward.

There are potential indeterminable revenues associated with providing false information to CHFS to receive benefits, subject to a civil penalty of no more than \$500 per violation. Interest earnings are also potential additional revenue sources that will become part of the fund.

The legislation allows the Cabinet for Economic Development to require employers participating in economic development projects under the Kentucky Investment Act or the Kentucky Business Investment Program to participate in the child-care assistance program. Since the language is permissive and the decision regarding participation may be on a project-by-project basis, no fiscal impact can be determined for this portion of HB 499.

DATA SOURCE(S): LRC Staff

PREPARER: Kevin Newton NOTE NUMBER: 78 REVIEW: JAB DATE: 2/21/2022