

**FINAL
FISCAL NOTE**

Drafting Number: LLS 12-0469	Date: July 19, 2012
Prime Sponsor(s): Sen. Williams S. Rep. Massey	Bill Status: Signed into Law
	Fiscal Analyst: Bill Zepernick (303-866-4777)

TITLE: CONCERNING MAINTAINING CHILD CARE ASSISTANCE FOR WORKING FAMILIES.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: The bill was signed into law by the Governor and took effect April 13, 2012.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

The bill creates a pilot program in the Department of Human Services (DHS) to allow up to 10 counties to modify their Child Care Assistance Program to mitigate the "cliff effect." In regards to child care assistance, the cliff effect refers to a situation when working parents receiving assistance begin to earn income above the eligibility limit, and in turn, lose their eligibility for assistance, which can hinder their ability to continue to work or to afford child care costs. Specifically, the pilot program allows counties to do the following:

- continue providing extended child care assistance for a period of up to 2 years after a person receiving assistance has exceeded the county eligibility limit; and
- require parents receiving extended assistance to pay an increasing portion of the child care costs according to a schedule over the two-year period and allow for a gradual transition off of assistance over this period.

Persons receiving extended child care assistance under a pilot program are required to report changes in income during the two-year period and must have their eligibility redetermined after 12 months. At no point may counties provide assistance under the pilot to persons with income above the federal eligibility limit. Counties in the pilot program are also encouraged to seek public-private partnerships to supplement their child care assistance program funds to help families continue to meet their child care needs. Counties must apply to the DHS to participate in the program and may begin services under the pilot program on July 1, 2012. The pilot is repealed on July 1, 2016. The DHS is required to compile data submitted by counties on their pilot programs and report to the relevant committees of the General Assembly.

State Expenditures

The bill will result in a minimal increase in workload in the DHS to develop program rules and oversee county pilot programs. These duties can be accomplished by existing child care assistance staff and no new appropriation is required.

Local Government Impact

Participation in the pilot program by counties is voluntary. Counties choosing to participate will be required to provide child care assistance for a longer period of time to families once they have been determined to be eligible for assistance. Assuming total funding for child care assistance remains the same, this will result in a smaller number of families receiving assistance, but for a longer period of time.

Departments Contacted

Human Services

Law

Counties