

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 92** HLS 202ES 181

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: October 13, 2020 9:54 AM	Author: LANDRY
Dept./Agy.: Education	Analyst: Tim Mathis
Subject: Early Childhood Education	

FUNDS/FUNDING OR -\$25,000,000 GF RV See Note Page 1 of 1
Provides relative to compensation for certain child care workers (Item #16)

Proposed legislation creates the Child Care Worker Supplemental Pay Fund to receive \$25 M, subject to appropriations. The fund shall be administered by the Department of Education (LDE) which shall develop procedures for Type III child care centers to apply for grants to supplement compensation for child care workers up to \$200 per week per full-time employee.

Effective 60 days after the adjournment of the 2020 2nd Extraordinary Session.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$125,000,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$125,000,000
REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	(\$25,000,000)	(\$25,000,000)	(\$25,000,000)	(\$25,000,000)	(\$25,000,000)	(\$125,000,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$125,000,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Subject to appropriation, proposed law will result in an increase in expenditures out of the newly created, statutorily dedicated Child Care Worker Supplemental Pay Fund. Proposed law authorizes and directs the state treasurer to deposit and credit to the fund \$25 M annually. To the extent monies are appropriated to the fund, there will be an expenditure increase by the LDE for grant allocations available to Type III child care centers for the purpose of providing supplemental compensation for child care workers employed at the centers (up to \$200 per week per full-time employee). No such appropriation is identified at this time.

Creating a new statutory dedication within the state treasury will result in a marginal workload increase for the Department of Treasury, which can generally be absorbed within existing resources. The LDE indicates that it can absorb administrative costs with existing early childhood education staff and resources.

Note: There are an estimated 9,243 staff members at Type III child care centers that would be eligible for supplemental pay under the proposed legislation, requiring an appropriation of up to \$96 M. However, only 2,403 individuals (26%) would be eligible for full grants under the proposed funding level of \$25 M (\$200 per week x 52 weeks x 2,403 staff), or the grant awards would have to be prorated to approximately \$52 per week (\$25 M ÷ 9,243 staff ÷ 52 weeks). The LDE indicates it would need to develop a process for determining supplemental pay allocations with the limited funding level.

REVENUE EXPLANATION

To the extent the legislature makes an annual appropriation of \$25 M into the Child Care Worker Supplemental Pay Fund, there will likely be a reduction of \$25 M state general fund associated with the transfer of funds. Identification by the legislature of an alternate funding source could potentially mitigate or eliminate a reduction to the state general fund in any given fiscal year. No such appropriation is identified at this time.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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Legislative Fiscal Officer