

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 249** HLS 14RS 637
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 22, 2014 6:16 PM	Author: PRICE
Dept./Agy.: Children and Family Services	Analyst: Patrice Thomas
Subject: Improving Access to Child Care For Homeless LA Families	

CHILDREN/CARE OR FF EX See Note Page 1 of 2
 Provides for access to child care assistance by homeless families

Proposed law creates the "Improving Access to Child Care for Homeless LA Families Act." Proposed law requires that the Child Care and Development Fund (CCDF) state plan conforms with the Improving Access to Child Care for Homeless LA Families Act. The proposed law requires the CCDF state plan to (1) include families experiencing homelessness, (2) allow homeless children to immediately receive child care assistance, (3) waive education and training requirements for homeless parents, and (4) collaborate and coordinate with various person and entities to improve access to child care assistance for homeless families including transportation.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
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

The proposed legislation authorizes the Department of Children and Family Services (DCFS) to waive certain eligibility requirements to allow individuals to receive subsidized child care, which will result in a reallocation of existing federal Child Care Development Fund (CCDF) funds. The amount of block grant funds projected to be reallocated is \$1,760,640 in FY 15 and annually increases by 2% in future fiscal years. This proposed legislation enacts the "Improving Access to Child Care for Homeless LA Families Act" that requires the DCFS to do the following: (1) establish priority access to child care assistance through the Child Care and Developmental Fund (CCDF) Block Grant to families experiencing homelessness; (2) allow homeless children to enroll immediately for child care assistance; (3) waive the employment and training requirements for homeless parents who apply for child care assistance; and (4) collaborate and coordinate efforts with other organizations to improve access of homeless families seeking child care assistance as well as transportation.

Based on a report from the Institute for Children, Poverty, & Homeless, *The American Almanac of Family Homelessness 2013*, there are an estimated 469 homeless families in Louisiana. According to DCFS program statistics from March 2014, the average child care assistance payment is \$233.63 per month (excluding co-payments). The department estimates an average of 1.34 children per family. Thus, an estimated 628 children of homeless families would receive child care assistance under the provision of the Improving Access to Child Care for Homeless LA Families Act (469 homeless families x 1.34 average child per family) at a monthly cost of \$146,720 (628 x \$233.63). In FY 15, total cost are estimated at \$1,760,640 (\$146,720 x 12 months). Historical information from DCFS indicates that provider costs for child care increase 2% annually. Therefore, in subsequent fiscal years, child care assistance for homeless families would increase as follows: FY 16 - \$1,795,853; FY 17 - \$1,831,770; FY 18 - \$1,868,405; and FY 19 - \$1,905,774.

Note: To implement this proposed legislation, the department must amend the CCDF state plan to include homeless children in the definition of protective services. Under the new state plan, children in homeless families will receive priority for child care assistance over children in low income working families and children in the Strategies to Empower People Program (STEP) program that may result in these children not receiving child care assistance. Historically, DCFS expends its total annual CCDF block grant budget of \$46 M for child care payments.

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REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	Dual Referral Rules	House	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	 John D. Carpenter Legislative Fiscal Officer
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}		
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}		

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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION (Continued from Page 1)

In addition, if the amended CCDF state plan is not approved at the federal level, the department would be required to utilize SGF to pay for child care assistance for children of homeless families.

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|---|----------------------------|--|---|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | |

John D. Carpenter
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