

#23 - Provide information regarding fiscal effect of decreased Child Development Program funding for SFYs 2022-23 compared to SFYs 2020-21 (similar to calculation provided in SB144 fiscal note).

SFY 20-21 comparison to SFY 22-23

Child Care Development		SFY 2020	SFY 2021	SFY 2022		SFY 2023	
Budget Summary		Final Budget	Final Budget	Governor's Budget	Difference to SFY 2020	Governor's Budget	Difference to SFY 2020
Class Title							
010	Personnel Services-Permanent	444,364	451,979	454,750	10,386	477,966	25,987
012	Personnel Services-Unclassified	93,953	93,956	178,671	84,718	189,643	95,687
018	Overtime	-	-	2	2	2	2
020	Current Expense	9,851	7,851	9,225	(626)	5,270	(2,581)
030	Equipment	30,000	-	-	(30,000)	-	-
037	Technology-Hardware				-		-
038	Technology-Software				-		-
039	Telecommunications	2,690	2,690	721	(1,969)	721	(1,969)
040	Indirect costs	15,825	16,300	19,627	3,802	19,627	3,327
041	Audit Fund Set Aside	22,509	22,325	22,450	(59)	22,450	125
042	Additional Fringe Benefits	-	-	40,200	40,200	42,253	42,253
049	Transfer to Other State Agencies	1,070	1,070	1,070	-	1,070	-
060	Benefits	325,614	339,621	360,973	35,359	380,238	40,617
067	Training & Providers	8,200	8,200	2,500	(5,700)	2,500	(5,700)
070	In-State Travel	1,550	1,550	3,550	2,000	1,850	300
080	Out-of-State Travel	16,801	16,801	20,802	4,001	17,400	599
102	Contracts for Program Services	2,390,610	2,229,750	2,689,750	299,140	2,734,750	505,000
211	Catastrophic Casualty Insurance	86	88	-	(86)	-	(88)
536	Employment Related Child Care*	32,723,450	34,512,323	26,048,600	(6,674,850)	25,950,000	(8,562,323)
564	Child Care Prevent & Protect	2,000,000	2,000,000	2,000,000	-	2,000,000	-
	Total Expense	38,086,573	39,704,504	31,852,891	(6,233,682)	31,845,740	(7,858,764)
	Federal	23,813,130	23,748,982	20,016,940	(3,796,190)	20,010,690	(3,738,292)
	Other	-	-	-	-	-	-
	General	14,273,443	15,955,522	11,835,951	(2,437,492)	11,835,050	(4,120,472)
	Total Revenue	38,086,573	39,704,504	31,852,891	(6,233,682)	31,845,740	(7,858,764)

Notes – This comparison only includes: AU 2976 Child Development-Operations, AU 2977 Child Development Program, and AU 2978 Child Care Dvlp-Quality Assure

While the budget for FY22-23 does show a decrease, it is important to note that a number of initiatives were started in SFY 20-21 and these dollars were included in line 536, Employment Related Child Care. This is included in the table below. The expenses for these were paid out in this line as part of the payment to providers. When the Department submitted its budget, based on actual expenditures, the additional \$6.2M was included in this figure.

*Class 536 Employment Related Child Care – SFY 20 & 21 had the below increases:

		FY20	FY21
Disability Differential		\$ 235,110	\$ 235,110
Infant and Toddler		\$ 58,447	\$ 58,447
Mental Health & Substance Misuse		\$ 500,000	\$ 2,109,133
Percentile Increase		\$ 2,161,362	\$ 2,161,362
Reauthorization:		\$ 2,109,133	\$ 2,109,133
	Absentee: 85%		
	Closures		
	Registration fees		
Fully Fund ER over Gov Budget		\$ 1,774,948	\$ 1,965,815
Reduction in Quality		\$ (639,000)	\$ (639,000)
Total Increase		<u>\$ 6,200,000</u>	<u>\$ 8,000,000</u>
	Federal Funds	4,000,000	4,000,000
	General Funds	2,200,000	4,000,000
		<u>\$ 6,200,000</u>	<u>\$ 8,000,000</u>

The budget submitted by the Department in August 2020 was based on actual expenditures and a per child count as demonstrated in the table on the following page. As mentioned during the Division III budget hearing and outlined in the Department’s response to question 22, the number of children receiving Child Care Scholarship is decreasing. The item that was not funded in this accounting unit, \$1.5 M for protect and prevent child care is needed so that these children do not default to being served and funded under line 536, Employment Related Child Care. Serving and funding children for protect and prevent child care under Employment Related will 1) subject them to twelve-month eligibility as outlined in the response to question 21 and 2) decrease the funds available to children eligible for Child Care Scholarship.

FY 22 & 23 (similar to SB144 fiscal note)

Child Care Funding	FY 22	FY 23
Federal CCDF	16,097,723	16,097,723
Federal TANF	4,200,000	4,200,000
General Match (No MOE)	5,592,551	5,592,551
Total Funds	25,890,274	25,890,274
Quality Requirement	2,330,125	2,330,125
Infant/Toddler Requirement	776,708	776,708
Admin	1,294,514	1,294,514
Total Requirements	4,401,347	4,401,347
Total funds less requirements	21,488,927	21,488,927
Direct Service 70% (minimum)	15,042,249	15,042,249

Month	Clients Served	Total monthly cost per client	Direct Service Estimate for FY 23
Jul-20	4020	\$ 546	\$ 26,352,065
Cls	Class Title	SFY 22 Gov Budget	SFY 23 Gov Budget
536	Employment Related Child Care	\$ 26,048,600	\$ 25,950,000

