



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2023 Biennium

**Bill #** SB0407

**Title:** Establishing high-quality child care business development grants

**Primary Sponsor:** O'Brien, Shannon

**Status:** As Introduced

- Significant Local Gov Impact     
 Needs to be included in HB 2     
 Technical Concerns  
 Included in the Executive Budget     
 Significant Long-Term Impacts     
 Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	unknown	unknown	unknown	unknown
Federal Special Revenue	unknown	unknown	unknown	unknown
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	unknown	unknown	unknown	unknown
Federal Special Revenue	unknown	unknown	unknown	unknown
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** SB 407 establishes the high-quality child care business development grants program administered by the Department of Commerce; creates the child care business development fund to provide child care business development grants; allows the department to accept federal funds, gifts, grants, and donations for the purposes of implementing the program. The fiscal impact from this legislation cannot be reasonably determined at this time.

### FISCAL ANALYSIS

#### Assumptions:

#### **Department of Health and Human Services**

1. It is currently unknown if business development grants will be eligible under the American Rescue Plan (ARPA) of 2021. See technical notes below.

- 2. New Section 1, subsection 5 references several areas that DPHHS has responsibility and oversight of for childcare facilities, including quality, rating, and improvement system. In order to effectuate eligibility assessments, coordination between DPHHS and the Department of Commerce will be necessary. This coordination can occur within existing resources.

**Department of Commerce**

- 3. Section 1 of the bill creates the childcare business development fund, administered by the Department of Commerce to provide childcare business development grants, and allocates revenue in the fund to the Department of Commerce. It states that the department may accept federal funds, gifts, grants, and donations for the purposes of the program. The amount of any gifts, grants, or donations cannot be reasonably determined.
- 4. While it is assumed that the intent of the bill is that funds from the American Rescue Plan of 2021 would be allocated for the program, childcare funds would go DPHHS. It is unknown until federal guidance released if any funds will be available for this purpose.

**Technical Notes:**

- 1. SB 407 includes whereas language on Page 2, line 2-4 that is unconfirmed by the specific childcare funding language in ARPA regarding how funds are authorized to be spent. DPHHS is awaiting additional terms and conditions through the Notice of Grant Award and federal guidance. It is unknown if business development grants identified in this bill will be eligible for ARPA childcare funding as intended in the text of this bill.
- 2. HB 632 currently contains an appropriation to DPHHS for Child Care Stabilization & Block Grants in the amount of \$111,000,000 that are awaiting further federal guidance related to their use.

**NO SPONSOR SIGNATURE**

	4.6	KA	4-5-21
<i>Sponsor's Initials</i>	<i>Date</i>	<i>Budget Director's Initials</i>	<i>Date</i>