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House BILL NO. *504*
INTRODUCED BY *Palmer Wolfe* *Blumenthal*

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO PAY A MINIMUM OF FOUR DOLLARS PER DAY FOR EACH ELIGIBLE CHILD ENROLLED IN A LICENSED DAY CARE FACILITY."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Payments for eligible children. The department of social and rehabilitation services shall pay to a licensed day care facility, for each child eligible to receive public financial support, not less than four dollars (\$4) for each day the child attends the facility. For those day care facilities which meet federal requirements the department shall pay an additional amount, not less than one dollar (\$1) per day, for each eligible child.

-End-

HB 504

STATE OF MONTANA

REQUEST NO. 165-75

FISCAL NOTE

Form BD-15

In compliance with a written request received February 5, 19 75, there is hereby submitted a Fiscal Note for House Bill 504 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to require the Department of Social and Rehabilitation Services to pay a minimum of four dollars per day for each eligible child enrolled in a licensed day care facility.

ASSUMPTIONS:

1. Payment to a licensed facility would be \$4 per day; payment to a facility meeting federal requirements would be \$5 per day.
2. The current rate of 14% of eligible children receiving day care from facilities meeting federal requirements would continue throughout the biennium.
3. One-third of the children receiving day care are eligible for federal financial participation from the Work Incentive Program (90/10 matched funds).
4. Federal funds will be available to fully meet current matching ratios.*
5. Cost estimates will depend on whether or not a sliding fee scale is adopted.** Costs are estimated under both alternatives.

FISCAL IMPACT:

	Alternative 1 - assumes sliding fee scale is		Alternative 2 - assumes sliding fee scale is	
	FY 76 adopted	FY 77	FY 76 not adopted	FY 77
Expenditures under current law	\$1,961,000	\$4,033,000	\$1,181,000	\$1,240,000
Expenditures under proposed law	<u>2,586,200</u>	<u>2,072,000</u>	<u>1,557,500</u>	<u>1,635,300</u>
Increase	<u>\$ 625,200</u>	<u>\$ 660,200</u>	<u>\$ 376,500</u>	<u>\$ 395,300</u>
Funding of Increase				
General Fund	\$ 125,071	\$ 132,040	\$ 75,300	\$ 79,060
Federal funds	<u>500,129</u>	<u>528,160</u>	<u>301,200</u>	<u>316,240</u>
Total	<u>\$ 625,200</u>	<u>\$ 660,200</u>	<u>\$ 376,500</u>	<u>\$ 395,300</u>

CONCLUSION:

Enactment of House Bill 504 would result in an increase in expenditures for day care of \$1,285,400 during the biennium if a sliding fee scale is adopted or \$771,800 during the biennium if a sliding fee scale is not adopted. The increase in expenditures would require 20% General Fund support.

* Federal funds may not be available to fully meet current matching ratios due to recent cut backs in the Work Incentive Program and proposed appropriations of State funds providing matching for the full \$8,500,000 State ceiling of Title IV-A funds.

** Under current policy, subsidized day care is cut off for children of families earning more than \$238 per month. A sliding scale would gradually reduce the amount of state support on earnings over that amount, thus allowing more children to be eligible for state supported day care.


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: February 10, 1975

Approved by Committee
on Public Health, Welfare
& Safety

1 HOUSE BILL NO. 504

2 INTRODUCED BY PALMER, WOLFE, DUSSAULT

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