

**PRELIMINARY STAFF MEASURE SUMMARY****Joint Committee On Ways and Means****Fiscal:** Fiscal impact issued**Revenue:** No revenue impact, statement issued (Indeterminate Impact)**Action Date:****Action:****Meeting Dates:****Prepared By:** Laurie Byerly, Budget Analyst**WHAT THE MEASURE DOES:**

Requires Department of Human Services (DHS) adopt rules for employment-related day care subsidies that allow parents to attend school; permit one year certifications regardless of changes in employment status; and extend benefits to self-employed parents. Reduces payment and co-pay system for child care facilities that meet tiered quality standards. Directs DHS to structure co-pays to mitigate financial impact upon program exit. Directs Early Learning Council (ELC) to develop voluntary statewide early learning system and defines requirements. Establishes process for defining “affordable, quality child care.” Directs Early Learning Division (ELD) to develop and implement quality improvement system for exempt family providers no later than July 1, 2016. Directs ELC to provide training and technical assistance. Requires ELC plans be integrated with existing early childhood services, intervention plans, and federal and state law. Directs ELD conduct study and report to Legislative Assembly by September 15, 2016. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Alignment with federal requirements
- Need for student access to program
- Fiscal impact
- Inability to meet full need or demand for program

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

The Department of Human Services (DHS) administers the Employment Related Day Care Program (ERDC), which assists families with incomes at or below 185 percent the Federal Poverty Level to obtain child care by providing child care subsidies. The ERDC program is designed to allow parents to have adequate child care while they are working or in school. Most types of formal and informal child care arrangements are allowable. Families pay a co-payment that is determined by income and family size. Families pay their co-payment directly to the child care provider. Child care providers submit invoices to DHS. DHS limits the amount of subsidy they will pay to providers and any additional cost must be covered by parents. Child care providers must satisfy criminal and child abuse records checks.

House Bill 2015 directs DHS to work with the Department of Education’s Early Learning Division and the Office of Child Care to adopt rules that allow families to continue to receive subsidies for up to one year, even if they have a change in employment status, to allow for work-seeking activities. It also directs them to allow self-employed

parents and those who are in school to receive the subsidy. It also establishes a tiered quality rating system for child care providers that could lead to a higher rate of reimbursement for services; and a lower co-payment for services that meet minimum standards.