

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: House Bill 743 (First Edition)

SHORT TITLE: Revise Def. of Income Unit/Child Care Subsidy.

SPONSOR(S): Representatives Malone, Lambeth, Saine, and Dobson

FISCAL IMPACT					
(\$ in millions)					
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> No Estimate Available					
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
State Impact					
General Fund Revenues:					
General Fund Expenditures:					
Special Fund Revenues:					
Special Fund Expenditures:					
State Positions:					
NET STATE IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Impact					
Revenues:					
Expenditures:					
NET LOCAL IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:					
Department of Health and Human Services, Division of Child Development and Early Education					
EFFECTIVE DATE: Act effective when legislation becomes law.					
TECHNICAL CONSIDERATIONS:					
None					

BILL SUMMARY:

H743. REVISE DEF. OF INCOME UNIT/CHILD CARE SUBSIDY. (April 15, 2015)

AN ACT TO REVISE THE DEFINITION OF INCOME UNIT IN THE CHILD CARE SUBSIDY POLICY TO NO LONGER INCLUDE NONPARENT RELATIVE CARETAKER.

S.L. 2014-100, Appropriations Act of 2014 required that effective January 1, 2015, a nonparent relative caretaker (for example: grandparent, aunt, uncle), and the caretaker’s spouse and child, if applicable, be included in the definition of the ‘income unit’ for eligibility determination. This only applies if the child’s parent does not live in the home with the child. HB 743 amends Section 12B.3(b1) of S.L. 2014-100 to delete nonparent caretaker relatives from the definition of ‘income unit’ for child care.

ASSUMPTIONS AND METHODOLOGY: The Child Care Subsidy program is funded by state appropriation and federal funding, including the Child Care Development Block Grant. This program is not an entitlement. Counties are allocated funding and serve as many eligible recipients as they can within their allocation. Changes to eligibility amend who can be served within the available allocation. Additional funding is not required to make changes in eligibility but may affect who and how many children are served.

SOURCES OF DATA: Catalog of Federal Domestic Service, Subsidized Child Care Services Manual, Child Care Development Block Grant Act of 2014, Division of Child Development and Early Education.

OTHER CONSIDERATIONS: The Division of Child Development and Early Education estimates the impact of the implementation January 1, 2015 of the inclusion of nonparent caretaker relative's income in child care subsidy cases to be a decrease of 1,247 children served in non-parent caretaker relative cases from December 2014 to January 2015 and a reduction in non-parent caretaker relative based expenditures of \$591,149 during that same time period. County departments of social services take and process new applications on a daily basis, a reduction in one category of recipients may result in additional children served in another category of recipients.

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DATE: April 21, 2015



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