

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING INCLUDING OUTDOOR NATURE-BASED PRESCHOOL PROGRAMS AS A TYPE OF CHILD CARE CENTER IN THE DEPARTMENT OF EARLY CHILDHOOD FOR LICENSING-RELATED MATTERS.

Prime Sponsors: Sens. Marchman and Priola
Reps. Joseph and McLachlan

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Appropriation Items of Note

Appropriation Required, Amendments in Packet

General Fund Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 02/01/24.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.001/L.002/ L.003/J.002	Bill Sponsor amendments - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001**(attached) to add a provision appropriating a total of \$293,975 General Fund for FY 2024-25, including \$258,634 to the Department of Early Childhood, and \$35,341 General Fund to the Department of Public Health and Environment. This provision also states that the appropriation is based on the assumption that the

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Department of Early Childhood will require an additional 2.3 FTE, and the Department of Public Health and Environment will require an additional 0.4 FTE.

L.001/L.002/L.003 and J.002

Bill Sponsor amendment **L.001** (attached) requires the General Assembly to appropriate \$30,000 cash funds from the Child Care Licensing Cash Fund to implement the outdoor program.

Bill Sponsor amendment **L.002** caps the number of licenses the Department of Early Childhood may award to child care centers that operate as outdoor, nature-based preschool centers to 10 licenses. The fiscal note for the introduced bill assumes 10 licenses as the basis of the cost estimate; therefore, this amendment does not change the fiscal impact of the bill.

Bill Sponsor amendment **L.003** extends the training timeline for outdoor program operators and staff from FY 2024-25 to FY 2025-26. Legislative Council Staff and JBC Staff agree this change would reduce the number of FTE necessary to implement the bill in FY 2024-25 by 0.5 FTE, thereby reducing the necessary appropriation by \$50,000 General Fund in FY 2024-25.

It is JBC Staff's understanding that the sponsor intends to offer all three amendments; therefore, to align with the impact of amendments **L.001** and **L.003**, staff has prepared amendment **J.002** (attached) to add a provision appropriating a total of \$179,569, including \$149,569 General Fund and \$30,000 cash funds from the Child Care Licensing Cash Fund to the Department of Early Childhood, and \$35,341 General Fund to the Department of Public Health and Environment for FY 2024-25. This provision also states that the appropriation is based on the assumption that the Department of Early Childhood will require an additional 1.8 FTE, and the Department of Public Health and Environment will require an additional 0.4 FTE.

If the Committee adopts sponsor amendments L.001 and L.003, it should adopt J.002 and should NOT adopt J.001.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2024-25 based on the March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes \$63.1 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 15.0 percent reserve associated with the placeholders (a total of \$9.5 million).

General Fund Appropriation Placeholders for Other 2024 Legislation	
Description	FY 2024-25
General Legislative Priorities	\$21,739,130
Legislation for Shared Housing Priorities	12,043,478
Legislation for Shared Workforce and Education Priorities	16,152,110
Legislation for Other Shared Priorities	10,519,130
Legislation for Distributions to Rural Hospitals	2,608,689
TOTAL Placeholders for Other 2024 Legislation	\$63,062,537

The introduced bill requires a General Fund appropriation of \$293,975 for FY 2024-25, reducing the \$63.1 million set aside by the same amount.

As amended by **L.001** and **L.003**, this bill creates an ongoing obligation and requires a General Fund appropriation of \$184,910 for FY 2024-25, reducing the \$93.5 million set aside by the same amount. With amendment **L.001** and **L.003**, the bill requires General Fund appropriations of \$244,484 in FY 2025-26 and future years.