

February 19, 2024

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2664 by House Committee on Child Welfare and Foster Care

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2664 is respectfully submitted to your committee.

HB 2664 would appropriate \$15.0 million from the State General Fund in FY 2025 to Kansas State University (KSU) Extension Systems and Agriculture Research Programs (ESARP). Of that amount, \$10.0 million would be to administer a program intended for the recruitment and retention of home-based childcare providers. Subject to appropriations, the KSU 105 Project would be required to administer and provide oversight for a program that awards funding to a childcare service provider to increase the supply of childcare family homes, group homes, and centers by recruiting and coaching prospective childcare providers through the initial business planning and implementation process and developing and executing a mentorship program for new childcare family homes, group homes, and centers.

The bill outlines the eligibility requirements for funding. Prior to a recipient receiving funding, KSU and the recipient would be required to enter into an agreement that includes the following: all necessary identifying information of the recipient, including any tax and financial information for the program to administer funds and a description of the project for which the funds would be expended, including tentative timelines and an estimated budget. Recipients would be required to report the following to the KSU 105 Project:

1. The number of home-based childcare providers enrolled in the recipient's program;
2. The number of childcare spots created;
3. The number of home-based childcare providers on the waitlist; and,
4. The potential long-term economic impact of the awarded funds.

If the KSU 105 Project reasonably determines funds awarded to any recipient are misused or the grant's use was misrepresented, the KSU 105 Project would not be allowed to award any

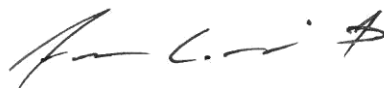
additional funds to the recipient and could revoke any agreement executed. In addition, the KSU 105 Project could subject the recipient to internal audit protocols. The KSU 105 Project would be subject to procurement and bidding processes in Kansas law. Recipients would be required to respond to requests for information from the Legislature or state agencies.

Estimated State Fiscal Effect			
	FY 2024	FY 2025	FY 2026
Expenditures			
State General Fund	--	\$15,454,648	\$375,828
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$15,454,648	\$375,828
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	2.41	2.16

In addition to the \$15.0 million appropriated in the bill from the State General Fund in FY 2025, KSU estimates additional expenditures of \$454,648 in FY 2025 and \$375,828 in FY 2026 from the State General Fund, along with an additional 2.41 FTE positions in FY 2025 and 2.16 FTE positions in FY 2026. Of the FY 2025 amount, \$280,648 would be for salaries and wages and \$174,000 would be for other operating expenditures. For the FY 2026 amount, \$235,828 would be for salaries and wages and \$140,000 would be for other operating expenditures.

HB 2664 specifies that of the \$15.0 million appropriated, \$10.0 million would be to establish a program for the recruitment and retention of home-based childcare providers. However, the bill does not specify the purpose of the remaining \$5.0 million. Any fiscal effect associated with HB 2664 is not reflected in *The FY 2025 Governor’s Budget Report*.

Sincerely,



Adam C. Proffitt
 Director of the Budget

cc: Becky Pottebaum, Board of Regents
 Stephanie McDowell, Kansas State University