

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version:	SB 95
Fiscal Note Number:	1
(S) Publish Date:	3/31/2025

Identifier: SB095-DOH-CCB-03-21-25
 Title: CHILD CARE: ASSISTANCE/GRANTS
 Sponsor: HEALTH & SOCIAL SERVICES
 Requester: (S) HSS

Department: Department of Health
 Appropriation: Public Assistance
 Allocation: Child Care Benefits
 OMB Component Number: 1897

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2026	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2026 Request	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING EXPENDITURES	FY 2026	FY 2026					
Personal Services		203.8	203.8	203.8	203.8	203.8	203.8
Travel							
Services		28.0	28.0	28.0	28.0	28.0	28.0
Commodities		2.0	2.0	2.0	2.0	2.0	2.0
Capital Outlay							
Grants & Benefits		5,858.4	5,858.4	5,858.4	5,858.4	5,858.4	5,858.4
Miscellaneous							
Total Operating	0.0	6,092.2	6,092.2	6,092.2	6,092.2	6,092.2	6,092.2

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)		225.1	225.1	225.1	225.1	225.1	225.1
1003 GF/Match (UGF)		225.1	225.1	225.1	225.1	225.1	225.1
1004 Gen Fund (UGF)		5,642.0	5,642.0	5,642.0	5,642.0	5,642.0	5,642.0
Total	0.0	6,092.2	6,092.2	6,092.2	6,092.2	6,092.2	6,092.2

Positions

Full-time		2.0	2.0	2.0	2.0	2.0	2.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2026) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**
 If yes, by what date are the regulations to be adopted, amended or repealed? **07/01/25**

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division:	Public Assistance	Date:	03/20/2025
Approved By:	Pam Halloran, Assistant Commissioner	Date:	03/21/25
Agency:	Department of Health		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

Analysis

The Child Care Assistance Program currently pays child care providers on behalf of participating families who receive a subsidy. Federal Child Care and Development Fund (CCDF) rules require family income limits not exceed 85% of the state median income and that families pay a portion of their child care cost, or co-payment (co-pay) to their child care provider. Family co-pays are based on a sliding fee scale (Child Care Assistance Family Income and Contribution Schedule).

If the income eligibility standards were increased to 105 percent of the state median income, approximately 18,000 additional children age 12 and under would meet the eligibility criteria. Currently, about 7 percent of income eligible families are utilizing the Child Care Assistance Program. If utilization patterns remained the same, an additional 1,200 - 1,300 children may use the Child Care Assistance Program. Any subsidy that is approved based on eligibility above 85 percent of state median income cannot be covered by the federal Child Care Development Fund and would need to be covered by state general fund dollars.

% of State Median Income for Family	Parent Monthly SMI	7% Family Copay	Avg. State Rate	Subsidy Amt
Number of Children 86-90% SMI	\$ 8,235	\$ 576	\$ 993	\$ 417
Number of Children 91-95% SMI	\$ 8,693	\$ 609	\$ 993	\$ 384
Number of Children 96-100% SMI	\$ 9,150	\$ 641	\$ 993	\$ 352
Number of Children 101-105% SMI	\$ 9,608	\$ 673	\$ 993	\$ 320

	# of Children 0-12	Est # Children utilizing	Monthly	Annually
Number of Children 86-90% SMI	3,115	218	\$ 90,927	\$ 1,091,122
Number of Children 91-95% SMI	7,461	522	\$ 200,552	\$ 2,406,620
Number of Children 96-100% SMI	4,100	287	\$ 101,024	\$ 1,212,288
Number of Children 101-105% SMI	3,467	243	\$ 77,661	\$ 931,931
Totals		1,270	\$ 470,163	\$ 5,641,960

The projected cost to provide a subsidy to families above 85% of state median income, and up to 105% state median income is approximately \$5,641,960.

To administer the increase to eligibility standards, the Child Care Program Office requires one Accounting Technician 1 and one Program Coordinator 1 to manage the additional work and process requests for payment. This also requires increasing grant funding to four Child Care Assistance Program grantees so each grantee can fund one new Eligibility Technicians to administer the program on behalf of the state.

Personal Services:

One full-time, range 12, step B, Anchorage Accounting Technician 1 for \$83.7 annually including benefits

One full-time, range 18, step C, Anchorage Program Coordinator 1 for \$120.1 annually including benefits

Services: \$28.0 annually or \$14.0 per position for chargeback costs.

Commodities: \$2.0 annually or \$1.0 per position.

Grants: \$216.5 to support grantee staffing to process additional applications and \$5,642.0 additional increased subsidy benefit.