

PRELIMINARY FISCAL NOTE
SR 9/HR 5

Appropriations Committee
Meeting

March 12, 2014



OFFICE OF FISCAL ANALYSIS

Room 5200, Legislative Office Building

Hartford, CT 06106 • (860) 240-0200

E-Mail: ofa@cga.ct.gov

www.cga.ct.gov/ofa

\$1,214,486 in FY 15, \$2,236,708 in FY 16, and \$2,824,217 in FY 17.

Increased Hourly Wage for Unlicensed Providers - The agreement provides for a wage increase for unlicensed providers equal to one-third of the state's minimum wage, or \$8.70 in FY 14 and \$9.00 thereafter. The costs associated with this are \$2,619,213 in FY 14, \$5,631,307 in FY 15, and \$6,024,189 in FY 16 and FY 17.

Mandatory Orientation - Providers must attend a four-hour mandatory orientation program for which they will receive a one-time payment of \$75. The costs associated with the orientation payments are \$200,000 in FY 14, and \$325,000 each year thereafter.

Signing Bonus - Upon ratification, licensed family child care providers with more than one year of service will receive a one-time payment of \$80, while unlicensed providers will receive \$40. The cost associated with the signing bonus is estimated to be \$150,000 in FY 14.

Professional Development Fund - The agreement requires the state to allocate \$200,000 per year for the purpose of defraying the costs of professional development activities. Any unspent funds will be carried forward to the following fiscal year.

License Maintenance Bonus - Unlicensed family child care providers who become licensed and maintain the license for one year will receive a one-time \$500 payment. The cost associated with this is estimated to be \$200,000 per year.

Accreditation Incentive - The agreement requires the state to allocate \$50,000 per year for members who have achieved certain accreditations. Members achieving a Child Development Associate credential will receive \$500, while members achieving National Association of Family Child Care accreditation will receive \$750.

New License Fee Reimbursement - Unlicensed family child care providers who become licensed will be reimbursed for the license fee. The total cost associated with this reimbursement is \$2,500 per year for FY 15 through FY 17.

Fringe Benefits/Pension - Article 1, Sections Two and Three of the agreement clarify that family child care providers are not state employees and are not eligible for a state employee fringe benefit package. However, the agreement requires the state and the union to establish a work group and make recommendations by January 2015 regarding possible strategies to increase the availability of health care coverage to bargaining unit members. If an agreement extending health care coverage is reached and has a cost, it will be filed with the legislature for approval.

Funding Availability - Funding was not provided in the original FY 14 and FY 15 budget for this purpose. However, as stated above, the FY 14 costs will be paid out of the DSS Child Care Services account. As this funding was not included in the original FY 14 budget, funds will be transferred from the Medicaid account to cover the estimated \$4.6 million shortfall. The FY 15 cost associated with the family child care providers covered under this agreement is estimated at \$8,494,625. The Governor's FY