

LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT

LS 6779

BILL NUMBER: HB 1401

NOTE PREPARED: Dec 29, 2025

BILL AMENDED:

SUBJECT: Employee Childcare Assistance Partnership Program.

FIRST AUTHOR: Rep. Dant Chesser

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Employee Child Care Assistance Partnership Program. It also makes an appropriation.

Effective Date: July 1, 2026.

Explanation of State Expenditures: The bill establishes the Employee Child Care Assistance Partnership Program, to be administered by the Division of Family Resources (DFR). The bill is estimated to increase the annual staff expenditures for the DFR by between \$90,000 and \$285,000 in the early years of this program, depending on the number of new staff required. The bill allows the DFR to contract with a third party to administer specific portions of the program. It also requires the DFR submit an annual report to the Legislative Council and Governor. Ultimately, the cost of the program will depend on the number of employers, employees, and providers who enter into agreements for child care. *[FSSA's administrative expenditures related to child care are paid from a combination of state and federal funding.]*

The nonreverting Employee Child Care Assistance Partnership Fund established by the bill will be administered by the DFR. Administrative expenses cannot exceed five percent of the total money in the fund. The fund consists of appropriations, grants, contributions, and donations. The amount needed to operate the program is continually appropriated from the state General Fund.

Additional Information - Estimated staff expenditures are based on one to three staff members for implementation of the program with average annual salaries similar to the staff currently serving the On My Way Pre-K program.

The program will match, with money in the Employee Child Care Assistance Partnership Fund, up to 100% of an employer's contribution to child care expenses as prescribed in the bill. Other details of the program and the standard agreement to be signed by the employee, employer, and provider are to be developed by the DFR. The DFR can delegate its authority to a subsidiary division or a nonprofit organization. General Fund expenditures may be mitigated to the extent that the Employee Child Care Assistance Partnership Fund receives funds from a federal or nonprofit source.

Explanation of State Revenues: The bill requires notices from providers to the DFR for failure to pay by the employer or employee, and from the employer at the end of the employment relationship. The DFR has authority to impose a civil penalty of up to \$500 for anyone intentionally providing false information. Penalty revenue will be deposited in the newly established Employee Child Care Assistance Partnership Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

Information Sources:

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