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FISCAL IMPACT REPORT

SPONSOR Jaramillo **LAST UPDATED** _____
ORIGINAL DATE 2/28/25
BILL
SHORT TITLE Family Infant Toddler Funding **NUMBER** Senate Bill 198/ec
ANALYST Klundt

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
\$2,200.0	\$2,200.0	Recurring	General fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 2

Sources of Information

LFC Files

Agency Analysis Received From

Early Childhood Education and Care Department (ECECD)

SUMMARY

Senate Bill 198 (SB198) appropriates \$2.2 million from the general fund to the Early Childhood Education and Care Department (ECECD) for provider rate increase for Family, Infant Toddler Program (FIT) in the second through fourth quarters of fiscal year 2025. Any unexpended or unencumbered balance remaining at the end of fiscal year 2025 shall revert to the general fund.

This bill contains an emergency clause and would become effective immediately on signature by the governor.

FISCAL IMPLICATIONS

The appropriation of \$2.2 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY25 shall revert to the general fund.

The LFC recommendation for House Bill 2 includes \$2 million, and the executive recommendation includes \$1 million in FY25 for this purpose. Both recommendations also include a \$10 million increase for the FIT program in FY26.

SIGNIFICANT ISSUES

ECECD noted the appropriation in this bill is to restore previously adjusted rate increases for Family, Infant, Toddler (FIT) program providers. ECECD also noted federal rules may prevent the reprocessing of paid claims as far back as October 1, 2024. The department noted the appropriation may need to cover not only the increase in rates for children not enrolled in Medicaid, but also for children enrolled in Medicaid whose claims were paid at the current rate but happened outside of the time window in which the federal rules allow the reprocessing of claims.

KK/hj/SR/sgs