



March 10, 2023

**SUMMARY OF BILL:** Creates the Child Care Improvement Fund (Fund), which will be administered by the Department of Human Services (DHS). Requires DHS to disperse grants each fiscal year from the Fund to nonprofit organizations to establish new, or to make improvements to existing, child care agencies. Requires the Treasurer to invest the money of the Fund. Authorizes the Commissioner of Finance and Administration (Commissioner) to review annual reports on the Fund submitted by DHS.

**FISCAL IMPACT:**

**Increase State Revenue - \$15,000,000/FY23-24 and Subsequent Years/  
Child Care Improvement Fund**

**Increase State Expenditures – \$15,000,000/FY23-24 and Subsequent Years/  
General Fund  
\$15,000,000/FY23-24 and Subsequent Years/  
Child Care Improvement Fund**

Assumptions:

- Pursuant to Tenn. Code Ann. § 9-4-603(g), the Treasurer may deduct from the pro rata earnings of funds in order to defray the administrative costs of handling such account.
- The proposed legislation does not appropriate any public funds. Therefore, it is assumed the General Assembly will authorize an appropriate percentage of the General Fund surplus to be added.
- Since the exact amount appropriated into the Fund is not currently known, it is assumed that DHS will require additional support to administer the funds to nonprofit organizations.
- It is estimated that there will be an increase in state expenditures of \$15,000,000 in FY23-24 and subsequent years to cover the costs of DHS contracting with a third-party to administer the grant funds and to provide grants to nonprofit organizations.
- The Commissioner can review the annual reports on the Fund within existing resources and personnel, and will therefore create no increase in state expenditures.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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