

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

Senate Bill 702

**FISCAL
NOTE**

By Senator Chapman

[Introduced March 5, 2025; referred
to the Committee on Health and Human Resources;
and then to the Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new section,
2 designated §49-2-120a, relating to payment rates for child care services; requiring the
3 Bureau for Family Assistance to annually adjust the base rate for each type of care based
4 upon the Consumer Price Index; requiring the Bureau for Family Assistance to study the
5 implementation of performance-based contracting's outcome on quality; and requiring
6 reporting.

Be it enacted by the Legislature of West Virginia: _

ARTICLE 2. STATE RESPONSIBILITIES FOR CHILDREN.

§49-2-120a. Payment Rates for childcare services; study of performance-based contracting; reporting.

1 (a) The federal Child Care & Development Fund which provides the primary funding for the
2 state's childcare program, requires the state to develop a plan for the operation of services.

3 (b) The state plan shall address how federal funds will be utilized to address the federal
4 goals of childcare to approve affordability, availability of childcare programs, and quality of
5 childcare programs.

6 (c) Rates for payment of childcare services include a base rate for each type of care as well
7 as incentive rates.

8 (d) Beginning September 1, 2025, and September 1st annually thereafter, the Bureau of
9 Family Assistance shall increase the base rate for each type of care based upon the Consumer
10 Price Index for all Urban Consumers.

11 (e) Beginning August 1, 2025, the Bureau for Family Assistance shall study the
12 implementation of a performance-based contracting to enhance the quality of childcare delivered
13 as required by the state plan. The study shall include but not be limited to a consideration of how
14 incentive payments to providers may work to improve quality outcomes such as kindergarten
15 readiness in children attending childcare centers.

16 (f) The Bureau for Family Assistance shall prepare a report of its findings to be made to the

- 17 Legislative Oversight Commission on Health and Human Resources Accountability on or before
- 18 December 15, 2025.

NOTE: The purpose of this bill is to require the Bureau for Family Assistance to increase the base rate paid to childcare providers and to study a performance-based model of incentive payments to increase quality and to provide reporting.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.