

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 5659

FISCAL
NOTE

By Delegates Fehrenbacher, Dittman, Moore,
McCormick, Drennan, and Hite

[Introduced February 17, 2026; referred to the
Committee on Health and Human Resources]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new section,
 2 designated §49-2-1107, relating to the development and implementation of a
 3 comprehensive model for the estimation of child care costs to be used in determining child
 4 care subsidy reimbursement rates; declaring legislative policy and principles; outlining
 5 pertinent factors to be included; specifying process for the selection of expert consultant;
 6 requiring development of cost estimate report; and providing for legislative review and use
 7 of report.

Be it enacted by the Legislature of West Virginia:

ARTICLE 2. STATE RESPONSIBILITIES FOR CHILDREN.

§49-2-1107. Estimation of Child Care Costs.

1 (a) Legislative findings and intent. –

2 (1) The Legislature finds that access to affordable, high-quality child care is essential to
 3 workforce participation, family economic stability, and healthy child development.

4 (2) The Legislature further finds that current child care subsidy reimbursement rates do not
 5 adequately reflect the actual cost of providing quality child care, including fair compensation for
 6 early childhood educators, compliance with licensing and quality standards, and necessary
 7 operational expenses.

8 (3) The Legislature finds that reliance solely on market rate surveys does not accurately
 9 capture the true cost of providing quality child care, particularly in rural and underserved areas of
 10 the state.

11 (4) It is the intent of the Legislature to require the Department of Human Services to
 12 develop and use a cost estimation model that reflects the real and necessary costs of operating a
 13 quality child care program, including, at a minimum:

14 (A) Fair and competitive wages and benefits for child care staff;

15 (B) Staffing levels necessary to meet licensing and quality standards;

16 (C) Variations by program type, including child care centers and family child care homes;

17 (D) Differences based on the ages of children served;

18 (E) Costs associated with curriculum, instructional materials, and professional
19 development;

20 (F) Costs related to food, facilities, utilities, insurance, maintenance, and administration;
21 and

22 (G) Regional cost differences across the state.

23 (b) Development of child care cost estimation model. –

24 (1) The Department of Human Services shall contract with an independent expert entity to
25 develop a child care cost estimation model for the purpose of developing child care subsidy
26 reimbursement rates.

27 (2) The expert entity shall have demonstrated experience developing or applying child care
28 cost estimation models for use by state governments and shall have expertise in early childhood
29 systems, child care finance, and workforce compensation.

30 (3) The cost estimation model developed pursuant to this section shall incorporate the
31 considerations set forth in subsection (a)(4) of this section and shall be capable of reflecting
32 variations in cost based on program characteristics and geographic region.

33 (4) The Department of Human Services shall ensure that the cost estimation model is
34 completed no later than July 1, 2027.

35 (c) Legislative reporting and implementation planning. –

36 (1) Prior to the 2028 Regular Session of the Legislature, the Department of Human
37 Services shall present a report during one or more Legislative interim meetings to the Joint
38 Committee on Government and Finance and the interim committees with jurisdiction over health
39 and human resources.

40 (2) The report shall include:

41 (A) A description of the child care cost estimation model developed pursuant to this
42 section;

43 (B) The estimated true cost of providing quality child care in West Virginia, including
44 variations by program type, age group, and geographic region;

45 (C) A comparison between existing child care subsidy reimbursement rates and the
46 estimated cost of care; and

47 (D) A financial request and proposed implementation plan intended to inform development
48 of the Governor's Fiscal Year 2029 budget.

49 (d) *Funding.* – Nothing in this section prohibits the Department of Human Services from
50 proposing phased implementation strategies to align available funding with the full cost of care.

NOTE: The purpose of this bill is to specify requirements for the development of an accurate cost estimation model for the costs of child care in West Virginia, with consideration for program types, age of children served, geographic region, and other factors affecting the delivery of quality child care.

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