

**BILL SUMMARY**  
1<sup>st</sup> Session of the 60<sup>th</sup> Legislature

|                        |                             |
|------------------------|-----------------------------|
| <b>Bill No.:</b>       | <b>HB2778</b>               |
| <b>Version:</b>        | <b>FULLPCS1</b>             |
| <b>Request Number:</b> | <b>13743</b>                |
| <b>Author:</b>         | <b>Rep. Caldwell (Trey)</b> |
| <b>Date:</b>           | <b>5/18/2025</b>            |
| <b>Impact:</b>         | <b>DHS: \$11,500,000</b>    |

**Research Analysis**

The proposed committee substitute for HB2778 creates the Teacher Recruitment and Retention Program to expand access to the Child Care Subsidy Program for employees of childcare facilities. The program will sunset on November 1, 2028 and will be administered by the Oklahoma Partnership for School Readiness.

To qualify for the program, the employee's total annual gross household income for a two-parent household must not exceed \$120,000 or \$60,000 for a single-parent household. Qualified employees that meet the household income limits will have their household income exempt from consideration for calculating cost-sharing or co-payment responsibilities under the Child Care Subsidy Program. If a childcare facility employee qualifies for the Child Care Subsidy Program under normal program requirements, then they will be entitled to a full co-payment waiver.

To track eligibility, childcare facility providers are required to provide written notice to the Department of Human Services when an employee is no longer employed as a childcare facility worker.

Prepared By: Quyen Do

**Fiscal Analysis**

HB 2778 creates the Teacher Recruitment and Retention Program, which exempts household income from being factored in when determining eligibility for the Child Care Subsidy Program for employees of child care facilities. This program will be administered through November 1, 2028, by the Oklahoma Partnership for School Readiness (OPSR) under the direction of the Department of Human Services.

According to DHS, implementing categorical eligibility for child care workers would result in a fiscal impact of Twenty-One Million Dollars (\$21,000,000) annually. However, since roughly half of these workers are already eligible for a subsidy, the fiscal impact will be reduced to approximately Ten Million Dollars (\$10,000,000). The requirement to waive copayments for subsidy participants costs an additional One Million Five Hundred Thousand Dollars (\$1,500,000).

Therefore, the total anticipated impact on the state budget is \$11,500,000 annually. The annual cost estimates provided by DHS are based on the prior program that existed during the COVID-19 pandemic.

Prepared By: Alexandra Ladner, House Fiscal Staff

### **Other Considerations**

None.

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