

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6325

BILL NUMBER: SB 91

DATE PREPARED: Nov 16, 1999

BILL AMENDED:

SUBJECT: Licensing of nonprofit child care providers.

FISCAL ANALYST: John Parkey

PHONE NUMBER: 232-9854

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires a nonprofit child care provider to be licensed. The bill requires a nonprofit child care provider that provides care at a child care center, child care home, or a school to be licensed in accordance with specific child care licensing regulations.

Effective Date: July 1, 2000.

Explanation of State Expenditures: The Family and Social Services Agency, Division of Family and Children (DFC) is responsible for the licensing of child care providers. The bill would require the Division of Family and Children to hire or contract additional employees based on the number of child care providers affected by the bill. An increase in the number of child care provider licenses would require the hiring or contracting of an additional Human Service Consultant-Level 2 for each 85 additional licenses. Support staff for these workers would be needed at the rate of one clerical or supervisory position for every seven caseworkers. A one time charge for office equipment and a yearly charge for office space would also be required. The FSSA would contract the services of the necessary individuals in order to meet staffing level requirements. Contracted staff are not paid benefits or reimbursed for mileage charges.

The number of facilities that will be affected by this bill is not known at this time. The table below lists the costs of licensing 1,000, 2,000, or 4,000 additional facilities. The costs estimates shown below are based on current staffing levels in the Division of Family and Children and on current contract employment costs.

<u>Staff Needed</u>	<u>Number of New Licenses</u>		
	<u>1000</u>	<u>2000</u>	<u>4000</u>
Human Service Consultants, Level 2	\$462,000	\$1,035,000	\$2,115,000
Supervisors	\$110,000	\$156,000	\$364,000
Clerical	\$34,000	\$51,000	\$124,000
Office Space	\$9,000	\$18,000	\$36,000
Equipment	<u>\$3,000</u>	<u>\$6,000</u>	<u>\$12,000</u>
Total	\$606,000	\$1,242,000	\$2,115,000

A federal grant from Child Care Development Fund (CCDF) could fund this program through FY 2001.

In the event that federal funds are not available through the CCDF, the funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. As November 4, 1999, the Division of Family and Children had 138 authorized, but vacant, staff positions. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues: Child care providers are not charge a licensing fee.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Division of Family and Children, Family and Social Services Agency.

Local Agencies Affected: School Corporations; other nonprofit child care providers.

Information Sources: Keith Carver, 233-9238, Tom Quarto, 232-4719, Family and Social Services Agency..