

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 557** HLS 17RS 730

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 10, 2017	4:39 PM	<b>Author:</b> SEABAUGH
<b>Dept./Agy.:</b> Education		<b>Analyst:</b> Jodi Mauroner
<b>Subject:</b> Early Childhood license requirements		

CHILDREN/CARE RE INCREASE SG EX See Note Page 1 of 2  
Provides for criminal background checks relative to early learning centers, school employees, registered family child care providers and in-home providers

Present law prohibits a person convicted of or pled nolo contendere to certain crimes or who is registered as a perpetrator of child abuse or neglect from owning, operating or working at an early learning center; working at the Department of Education (LDE) in early learning center licensing inspections; being a registered family or in-home child care provider; or employed or living in a residence where care is provided. Proposed law adds to this prohibition a person whose name is on the La Sex Offender and Crime Predatory Registry and any other state's sex offender registry or the National Crime Information Center's Sex Offender Registry. Requires LDE rather than owner operators to request criminal history information from the Department of Children and Family Services (DCFS) and the National Crime Information Center and provides for a \$15 processing fee to be collected by LDE. Proposed law shall become effective when the Board of Elementary and Secondary Education (BESE) promulgates rules providing for implementation procedures or on September 30, 2018, whichever is earlier.

<b>EXPENDITURES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$159,810	\$122,295	\$51,135	\$51,135	\$31,680	<b>\$416,055</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$4,675	\$39,190	\$68,578	\$68,578	\$46,262	<b>\$227,283</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$164,485</b>	<b>\$161,485</b>	<b>\$119,713</b>	<b>\$119,713</b>	<b>\$77,942</b>	<b>\$643,338</b>

<b>REVENUES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$426,160	\$326,120	\$136,360	\$136,360	\$84,480	<b>\$1,109,480</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$426,160</b>	<b>\$326,120</b>	<b>\$136,360</b>	<b>\$136,360</b>	<b>\$84,480</b>	<b>\$1,109,480</b>

**EXPENDITURE EXPLANATION**

There will be an increase in expenditures by the LDE for licensing activities related to the required background checks for persons associated with early learning centers. Costs not fully funded with self-generated revenues may be funded through federal funds out of the Child Care and Development Block Grant available for this activity, however, this increase may result in a decrease in the availability of funds for other activities. At this time there is no charge to obtain information from the publicly available National Crime Information Center; however, fees may be required in the future.

Federal guidelines included in the 2015 reauthorization of the Child Care and Development Block Grant (CCDF) require FBI criminal background checks on all persons associated with early learning centers. (Previously only statewide background checks were required.) The state must have procedures in place that meet these requirements no later than September 30, 2017; a one year extension may be granted (and is contemplated in proposed legislation). For any year that a state fails to substantially comply, 5% of the CCDF funds will be withheld which could result in a loss of \$4.4 M for LDOE. ACT 646 of 2016 provided LDE the authorization to collect fees from owners and operators and forward collections to the La. Bureau of Criminal Identification and Information (LBCII) for all required criminal background checks (CBC). Proposed legislation incorporates additional federal CCDF requirements adopted in 2017 that CBCs must also come from the LA Sex Offender and Crime Predator Registry, any other state's sex offender registry, and the National Crime Information Center's National Sex Offender Registry. **Continued on Page Two**

**REVENUE EXPLANATION**

There will be an increase in revenues to the Department of Education (LDE) and Department of Children and Family Services (DCFS) to request and provide the criminal background checks for employees of early learning centers out of the LA Sex Offender and Crime Predator Registry.

Proposed legislation authorizes a \$15 charge levied by LDE to submit requests to DCFS and LBCII. DCFS is currently authorized to collect a processing fee of \$25 for criminal background checks provided to any agency or entity statutorily eligible to receive this information to assist the agency in performing a screening function as part of any regulatory or licensing scheme.

The estimated number of CBC reports are: 10,654 (FY 18), 8,153 (FY 19), 3,406 (FY 20 and FY 21) and 2,112 (FY 22). Projected revenues for LDE are: \$159,810 (FY 18), \$122,295 (FY 19), \$51,135 (FY 20 and FY 21) and \$31,680 (FY 22). Projected revenues for DCFS are: \$266,350 (FY 18), \$203,825 (FY 19), \$85,225 (FY 20 and FY 21) and \$52,800 (FY 22).

Senate  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**

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**CONTINUED EXPLANATION from page one:**

Based on license capacity, capacity in homes and the average child ratio, anticipated turnover and associated contractors, DOE projects approximately 10,654 checks will be requested in FY 18; 8,153 in FY 19; 3,406 in FY 20 and FY 21; and 2,112 in FY 22. In FY 18 the new CBC requirement will apply to all existing licensees, and in FY 19 through FY 22 the number will be limited to new employees only (assumes no growth in the number of centers). Background checks are required to be renewed every five years.

DOE anticipates the need for additional staffing as a result of the increased workload. If additional licensing positions are not authorized, the department may contract out services. DOE projects the need for two analyst positions and one accountant position in FY 18 for a total of \$164,485 (\$33,372 for each job appointment, \$69,542 salary and related benefits for an accountant and \$9,400 each in operating expenses); \$161,485 for the 3 positions in FY 19; \$119,713 for one analyst and one accountant position in FY 20 and FY 21; and \$77,942 for an accountant position only in FY 22.

DCFS does not anticipate the need for additional resources as a result of this workload increase. An additional staffing request associated with proposed legislation (HB486) is expected to provide sufficient resources to accommodate this workload adjustment. However, to the extent additional resources are not provided to implement HB 486, DCFS indicates it will require additional staffing to implement this proposed legislation.

Local child care providers may experience incremental cost increases, however, child care CBCs are valid for five years and portable to other centers within that time frame.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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