

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



Fiscal Note On: **HB 861** HLS 12RS 881

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 18, 2012 7:33 AM	<b>Author:</b> SIMON
<b>Dept./Agy.:</b> Children & Family Services	<b>Analyst:</b> Patrice Thomas
<b>Subject:</b> Child Day Care Fines and Child Care Licensing Trust Fund	

CHILD DAY CARE OR +\$14,625 SD RV See Note Page 1 of 2

Provides penalties in lieu of revocation for child care facilities or child-placing agencies which violate terms of licensure or other regulations

Proposed law authorizes civil fines instead of revocation of child day care license by the Department of Children and Family Services (DCFS) for violations related to supervision, criminal history record checks, staff-to-child ratios, motor vehicles checks, or failing to report critical incidents. Proposed law establishes a civil fine of up to \$250 per day for each violation assessment not to exceed \$2,000 in any consecutive 12-month period. Proposed law requires DCFS to develop and adopt administrative rules and regulations in assessing civil fines with input and guidance from the Louisiana Advisory Council on Child Care and Early Education. Proposed law authorizes DCFS to institute any necessary civil court action to collect civil fines imposed and not timely appealed. Proposed law creates the Child Care Licensing Trust Fund, a special fund within the treasury. Proposed law requires all civil fines collected be deposited into the Child Care Licensing Trust Fund. Proposed law will become effective January 1, 2013.

<b>EXPENDITURES</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$14,625	\$29,250	\$17,000	\$9,750	\$7,250	<b>\$77,875</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>\$14,625</b>	<b>\$29,250</b>	<b>\$17,000</b>	<b>\$9,750</b>	<b>\$7,250</b>	<b>\$77,875</b>

  

<b>REVENUES</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>5 -YEAR TOTAL</b>
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**EXPENDITURE EXPLANATION**

**Department of Children and Family Services**

The proposed legislation is anticipated to increase total statutory dedication expenditures in the Department of Children and Family Services (DCFS) by \$14,625 in FY 13. This proposed legislation allows DCFS to assess a civil fine instead of revoking the license of child care facilities and child-placing agencies for the following violations: (1) lack of supervision; (2) lack of criminal history record checks on staff; (3) inadequate staff-to-child ratios; (4) failure to perform motor vehicle checks; and (5) failure to report critical incidents to the department. Instead of revoking their licenses, DCFS may assess a civil fine up to \$250 per day for violations to child care facilities and child placing agencies. The maximum amount of civil fine assess over any consecutive 12-month period is \$2,000.

The department will use monies from the Child Care Licensing Trust Fund to enhance funding to nine existing contracts with Resource and Referral Agencies. Presently, Resource and Referral Agencies assists families with finding and evaluating child care, train child care providers and help develop new child care facilities. The department will use the Resource and Referral Agencies to provide education and training to employees, staff or other personnel of child care facilities and child-placing agencies that receive violations.

**Continued on Page 2**

**REVENUE EXPLANATION**

The proposed legislation creates the Child Care Licensing Trust Fund special fund in the state treasury. All fees generated from civil fines collected from child care facilities and child placing agencies pursuant to this proposed law are deposited into the fund. In FY 11, DCFS licensed 1,949 child care facilities and child placing agencies and issued 2,369 citations to child care facilities and child placing agencies for violations that are identified in this proposed legislation. In FY 13, an estimated \$14,625 in civil fines will be collected (117 providers x \$250 = \$29,250 / 2 = \$14,625 for six months). In FY 14, an estimated \$29,250 in civil fines will be collected (117 providers x \$250). In FY 15, an estimated \$17,000 in civil fines will be collected (68 providers x \$250). In FY 16, an estimated \$9,750 in civil fines will be collected (39 x \$250). In FY 17, an estimated \$7,250 in civil fines will be collected(29 x \$250).

	<u>No. of Providers</u>	<u>% of Total Providers*</u>	<u>Civil Fine (estimated)</u>
FY 13	117	6%	\$14,625 (six months)
FY 14	117	6%	\$29,250
FY 15	68	3.5%	\$17,000
FY 16	39	2%	\$ 9,750
FY 17	29	1.5%	\$ 7,250

\*Based on historical department information

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}	<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	

*H. Gordon Monk*

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**Legislative Fiscal Officer**

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**CONTINUED EXPLANATION from page one:**

Page 2 of 2

**EXPENDITURE EXPLANATION (continued)**

**Division of Administrative Law**

This proposed legislation allows child care facilities or child-placing agencies to appeal any violations issued by DCFS. The appeals will be handled by the Division of Administrative Law (DAL). The Legislative Fiscal Office (LFO) cannot determine the expenditure impact of this proposed legislation on DAL because it not known how many child care facilities or child-placing agencies would request an appeal. Until the appeal cases are identified and the DAL has had an opportunity to review the cases, the LFO cannot estimate the expenditure impact of this legislation. The DAL bills agencies \$125 per hour for the judge's time.

**Treasury**

This proposed legislation creates a special fund in the Treasury known as the Child Care Licensing Trust Fund. The Legislative Fiscal Office anticipates a minimum workload increase associated with the creation and reporting requirements of the Child Care Licensing Trust Fund. However, the treasurer has noted that if the number of special and administrative funds increases significantly during the 2012 Regular Session this may cause a workload increase that results in the need for an additional State Treasury Fiscal Analyst.

Senate

Dual Referral Rules

House

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

6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}

*H. Gordon Monk*

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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