LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 861** HLS 12RS 881
Bill Text Version: **ENGROSSED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 23, 2012 4:48 PM
Author: SIMON
Dept./Agy.: Children & Family Services
Subject: Child Day Care Fines and Child Care Licensing Trust Fund
Analyst: Patrice Thomas

CHILD DAY CARE EG SEE FISC NOTE SD RV

Provides relative to penalties imposed on child care facilities and child-placing agencies which violate terms of licensure and individuals or entities that operate without or in violation of a license.

Proposed law authorizes written warnings that include a corrective action plan 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 allows for civil fines and/or license revocation if corrective action plan is not implemented. Proposed law establishes a civil fine not to exceed $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 regarding this proposed law 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.

EXPENDITURES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total						

REVENUES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total						

EXPENDITURE EXPLANATION

Department of Children and Family Services. The proposed legislation may increase total statutory dedication expenditures in the Department of Children and Family Services (DCFS) by an indeterminable amount. This proposed legislation allows DCFS to issue written warnings that include a corrective action plan 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. If a correction action plan is not implemented, then DCFS may assess a civil fine up to $250 per day and/or license revocation. 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.

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.

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. The Legislative Fiscal Office cannot determine the number of child care facilities and child-placing agencies that, after failing to implement a correction action plan, will be assessed civil fines.

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}
☐ 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}

H. Gordon Monk

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Legislative Fiscal Officer