



**Colorado
Legislative
Council
Staff**

Bill 3

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 18-0319
Prime Sponsor(s):

Date: October 27, 2017
Bill Status: Early Childhood and School
Readiness Commission Bill Request
Fiscal Analyst: Bill Zepernick (303-866-4777)

BILL TOPIC: SUBSTITUTE PLACEMENT AGENCY LICENSURE

Fiscal Impact Summary	FY 2018-2019	FY 2019-2020
State Revenue Cash Funds	Minimal revenue increase. See State Revenue section.	
State Expenditures Cash Funds	Minimal workload and expenditure increase. See State Expenditures section.	
FTE Position Change		
Appropriation Required: None.		
Future Year Impacts: Ongoing minimal increase in revenue and workload.		

Summary of Legislation

This bill, *requested by the Early Childhood and School Readiness Legislative Commission*, creates a new license type for substitute placement agencies that place or facilitate the placement of substitute child care providers in licensed child care facilities. The State Board of Human Services must promulgate rules on the new license type. Substitute child care providers must submit to a fingerprint-based criminal history background check and a search of the state's child abuse and neglect data system.

State Revenue

The bill increases state cash fund revenue by a minimal amount from license fees and background check fees. Total revenue is expected to be less than \$5,000 from these two sources.

License fees. The Department of Human Services must set license fees for substitute placement agencies. While the fee amount is unknown at this time, assuming a fee of \$100 per agency and 25 placement agencies, fee revenue will be less than \$2,500. Fee revenue will be deposited to the Child Care Licensing Cash Fund.

Background check fees. Substitute child care providers who work through a substitute placement agency are required to undergo a fingerprint-based criminal history background check. The fee for a federal and state background check is \$39.50, of which \$12 is passed on to the Federal Bureau of Investigation and \$27.50 is deposited into the CBI Identification Unit Cash in the Department of Public Safety. Assuming each substitute placement agency has around 8 child care providers, there may be around 200 substitute child care providers statewide. However, many of these providers have likely already undergone a background check (for example, if they work both at a child care facility and through a substitute placement agency). Therefore, new background check revenue is assumed to be minimal and less than \$2,500.

State Expenditures

The bill increases workload and expenditures by a minimal amount in several state agencies. Staff in the Department of Human Services will have to promulgate rules for the new license type, process applications, and monitor licensed substitute placement agencies. The Department of Law will provide legal assistance during rulemaking and during any disciplinary license actions taken under the new license type. The Department of Public Safety will have a small number of additional background checks to process and will pass through a minimal amount of funds to the federal government. This work can be accomplished by existing staff and that no change in appropriations is required for any state agency.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties
Law

Human Services
Public Safety

Information Technology