

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE

Revised

House Bill 299 (Delegate W. Baker. *et al.*)

Environmental Matters

Family Day Care Homes - Inspections

This bill requires the Department of Human Resources (DHR) to conduct an unannounced inspection of each family day care home in any year that an initial or renewal inspection has not taken place, i.e., every other year. It requires DHR to inspect each family day care home prior to issuance of an initial registration and at least every two years thereafter prior to issuance of a renewed registration.

Fiscal Summary

State Effect: The FY 2000 allowance includes \$752,800 for 20 new licensing positions and associated operating expenditures that could be used to handle the bill's requirements. Revenues would not be affected.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	752,800	886,000	915,800	946,800	978,900
Net Effect	(\$752,800)	(\$886,000)	(\$915,800)	(\$946,800)	(\$978,900)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Minimal.

Fiscal Analysis

State Expenditures: DHR currently inspects each family day care home every two years. The bill's effect is to require inspections on an annual basis. The bill's requirements thus would cost an estimated \$752,847 in fiscal 2000, which accounts for the bill's October 1, 1999 effective date. This estimate reflects the cost of 20 positions (16 licensing specialists, 2

supervisors, and 2 secretaries) to conduct unannounced inspections. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- 6,021 new inspections annually;
- 30% follow-up inspection rate for non-compliance;
- four hours per inspection and three hours per follow-up inspection; and
- one supervisor and one secretary needed for every eight licensing inspectors.

However, DHR's fiscal 2000 budget allowance includes \$1.2 million for 35 new positions (28 licensing specialists, 3 supervisors, 4 secretaries) and associated operating costs to reduce the child care provider to licensing staff ratio. Therefore, the bill would not require new positions because DHR has already been allotted additional positions to bring down staffing ratios and those staffing ratios already assume an annual inspection.

Additional Comments: The December 1998 legislative audit report recommends that the Child Care Administration expand the use of unannounced inspections to ensure improved child care safety.

Information Source(s): Department of Human Resources (Child Care Administration), National Association for the Education of Young Children, Department of Legislative Services

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