

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 62 (Chairman, Education, Health, and Environmental Affairs Committee)
 (By Request – Departmental – Human Resources)

Education, Health, and Environmental Affairs Health and Government Operations

Child Care - Family Day Care Home Registrations and Child Care Center Licenses

This departmental bill institutes a system of nonexpiring family child care home registrations and child care center licenses and letters of compliance after an initial licensure that, once issued, will remain in effect until surrendered, suspended, revoked, or replaced by a conditional registration. It requires announced inspections before a license or letter of compliance is issued and at least every two years thereafter to determine if requirements are being met. Unannounced inspections of family day care homes and child care centers must be conducted at least once every 12 months to determine if child care is safe and appropriate. It also extends the initial licensure period for child care centers from one to two years. Additionally, it requires the Department of Human Resources (DHR), instead of the local departments of social services, to provide prospective day care providers with an orientation.

The bill takes effect January 1, 2005.

Fiscal Summary

State Effect: General fund expenditures could increase by \$17,800 in FY 2005, reflecting a January 1, 2005 effective date. Future year expenditures reflect annualization and inflation. Revenues would not be affected.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	17,800	36,000	36,300	36,700	37,100
Net Effect	(\$17,800)	(\$36,000)	(\$36,300)	(\$36,700)	(\$37,100)

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

Local Effect: None.

Small Business Effect: DHR has determined that this bill has no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: DHR must adopt rules and regulations relating to the registration of family day care homes. The rules and regulations must be uniform with the rules and regulations adopted by other State agencies as those rules and regulations relate to other types of day care.

At a minimum, the rules and regulations for family day care homes must provide for: (1) minimum standards of environmental health and safety; (2) a thorough evaluation of each prospective family day care home and day care provider before DHR accepts an initial registration; (3) self-certification by each registered day care provider once every two years that all requirements are being met; (4) reporting any changed circumstances that relate to the requirements when the change occurs; (5) an orientation to be provided to prospective day care providers by the local department before initial registration; (6) DHR inspection of each registered family day care home before issuing an initial registration and at least once every two years thereafter; (7) an unannounced inspection by DHR of each family day care home in any year that an initial or renewal inspection has not taken place; (8) procedures for responding to a complaint about a family day care home; (9) a requirement that a person who advertises a family day care home must indicate that the home is registered and include the registration number in the advertisement; and (10) require each registered day care provider to hold a current certificate indicating successful completion of a basic first aid training course and cardiopulmonary resuscitation (CPR) training course.

DHR also must adopt rules and regulations for licensing and operating child care centers. These rules and regulations must: (1) ensure safe and sanitary conditions in child care centers; (2) ensure proper care, protection, and supervision of children in child care centers; (3) ensure the health of children in child care centers; (4) promote the sound growth and development of children in child care centers; (5) encourage the care of children in a homelike environment; (6) carry out the purposes and requirements of this statute, including imposing intermediate sanctions to ensure compliance; (7) prohibit a child from remaining at a child care center for more than 14 hours in one day unless the department issues an exception for that child; and (8) require that a child care center has in attendance at all times at least one individual who is responsible for supervision of children who holds a current certificate for basic first aid training and CPR training and require that a child care center serving more than 20 children have certificate holders in a ratio of at least one certificate holder for every 20 children.

Background: DHR advises that Arkansas, California, Colorado, North Carolina, and Texas have adopted similar nonexpiring licensing systems.

The greater staff workload generated by the periodic renewal system has sometimes prevented DHR's Child Care Administration (CCA) from issuing license renewals in a timely manner. A 1998 Department of Legislative Services' (DLS) audit of CCA's operations cited untimely child care license renewals as an agency deficiency. DLS' 1995, 1998, and 2001 CCA audits included recommendations that CCA increase its unannounced inspections to improve assessment of regulatory compliance in child care centers. The 2001 audit noted that 34 states require unannounced inspections of centers at least once per year. Due to staffing levels, CCA can conduct unannounced inspections of 20% of centers annually. Chapter 410 of 1999 requires unannounced inspections of family day care homes once every two years.

In fiscal 2003, the average number of licensed child care facilities statewide was 12,926: 10,364 family day care homes and 2,562 child care centers and tax-exempt religious organizations regulated under letters of compliance.

State Expenditures: General fund expenditures could increase by \$17,807 in fiscal 2005, which accounts for the bill's January 1, 2005 effective date. This reflects mileage costs for CCA staff to conduct 10,894 more inspections of child care providers annually, for a total of 38,878 inspections each year. The bill reduces the administrative workload of existing CCA employees, providing additional time to conduct more inspections. As a result, the increased number of inspections required by this bill can be handled by existing employees. Future years reflect annualized expenditures and inflation.

Additional Information

Prior Introductions: A similar bill was introduced at the 2003 session as HB 1071. The bill had a hearing in the House Health and Government Operations Committee and was later withdrawn.

Cross File: None.

Information Source(s): Department of Human Resources, Department of Legislative Services

Fiscal Note History: First Reader - January 26, 2004
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