

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-0850/1	Introduction Number AB-470
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Subject
 Voluntary child care provider registry

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input checked="" type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue		<input type="checkbox"/> Counties <input type="checkbox"/> Others
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS s. 20.435 (3) (a), (3) (jb), and (6) (jm).	

Agency/Prepared By	Authorized Signature	Date
DHFS/ Mark Resheske (608) 267-0356	Fred Ellen Bove (608) 266-2907	2/11/2003

Fiscal Estimate Narratives

DHFS 8/14/2003

LRB Number	03-0850/1	Introduction Number	AB-470	Estimate Type	Original
Subject					
Voluntary child care provider registry					

Assumptions Used in Arriving at Fiscal Estimate

This bill permits (voluntarily) any person who provides care and supervision for a child but who does not have, and is not seeking, a license to operate an entity, and who is not an employee of a nonlicensed caregiver, to request DHFS to list the nonlicensed caregiver's name in a registry that DHFS is required to maintain under the bill. Once on the registry the Department requires the provider or nonclient resident to fill out a background form, provided by the Department, every four years. On receipt of such request, DHFS must conduct a criminal and caregiver background check of the nonlicensed caregiver and all nonclients who reside in the nonlicensed caregivers home if the nonlicensed caregiver is providing care in their home. The background check is to determine whether any disqualifying circumstances apply to the nonlicensed caregiver or nonclient residents. If no disqualifying circumstances apply, DHFS must list the nonlicensed caregiver in the registry. If disqualifying circumstances apply DHFS may not list the caregiver in the registry and must advise the nonlicensed caregiver of why he/she is ineligible for listing in the registry. Any individual who has employed a nonlicensed caregiver may request DHFS to search the registry for the name of the nonlicensed caregiver. The bill also requires a temporary employment agency that places nonlicensed caregivers with or refers nonlicensed caregivers to persons who are not entities to conduct background checks of those nonlicensed caregivers. The bill prohibits any temporary agency from employing, contracting with, or referring a nonlicensed caregiver if any disqualifying circumstances from the background check apply to the nonlicensed caregiver.

Under current law, child day care providers who care for 4 or more children under the age of 7 must be licensed by DHFS. Providers with fewer than 4 children who receive public funding must be certified by their county. This estimate assumes that the providers who would seek registration under the bill would be limited to noncertified providers who care for 3 or fewer pre-school aged children. There are an estimated 418,250 children in Wisconsin between 0-5 years of age. It is estimated that 75% of them (approximately 314,500 children) are in some type of child day care arrangement in Wisconsin and 215,000 of them are in licensed or certified care. Assuming an average of 3 children per provider, the remaining 99,500 children are cared for by 33,200 nonlicensed, noncertified providers. It is estimated that if 50% of these providers (or 16,600 individuals) request to be on the registry 36,354 total background checks (2.19 on average per provider) would be needed.

The bill will create an ongoing workload for the Department to complete background checks, rehabilitation review requests, and maintain the registry of nonlicensed caregivers as well as notify those who are ineligible for the registry and respond to public inquiries regarding the registry. To complete the background checks, DHFS must submit search requests to the DOJ criminal records database and the DHFS caregiver background check database. If records of criminal convictions or other acts are found, staff investigate further to determine whether the crime or act would disqualify the provider from the registry. Providers who are disqualified may seek to be registered by submitting proof of rehabilitation. DHFS staff must review these rehabilitation requests. Assuming 13% of the background checks result in one or more records found, and 2% of providers request rehabilitation reviews, the resulting workload would require a minimum of 10.0 FTE GPR Program Assistants to complete (assuming an average of 15 minutes to process 1 background check with no records found and 135 minutes for a background check resulting in 1 or more records found because of more time involved in investigating the charges). Responding to public inquiries regarding the registry would also require an estimated additional .5 FTE to complete, resulting in a total of 10.5 FTE GPR. The increase in workload would result in approximately \$395,000 GPR in ongoing Department expenses. The Department would also incur a one time information technology expense of approximately \$50,000 GPR to create the registry database. Finally, a fee of \$7.50 per request would be charged for searches of the DOJ and DHFS databases to maintain and operate those databases. It is assumed that the Department would require providers who apply to be on the registry to

pay the fee. In addition, performing the estimated 36,354 background checks at a charge of \$7.50 per background check would generate \$272,700 in revenue which would be used to pay for the background check database costs.

This bill allows the Department to charge a fee equal to the cost of providing and maintaining the voluntary child care registry. If the Department exercised this authority and charged a fee and 16,600 individuals request to be on the registry (resulting in 36,354 background checks needed) the necessary fee would be approximately \$18.36 per background check rather than the current \$7.50 per background check. The fee would generate approximately \$667,700 necessary to pay for annualized state costs (eliminating the need for GPR). One-time IT costs totalling \$50,000 would still need to be funded.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$50,000 Information Technology expenses. *Note that if the Department charges a fee generating revenue equal to the cost of providing and maintaining the registry (\$18.36 per background check) the annualized fiscal effect will be \$0, revenue will equal expenditures.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$395,000	
(FTE Position Changes)		(10.5 FTE)	
State Operations - Other Costs		272,700	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$667,700	\$
B. State Costs by Source of Funds			
GPR		395,000	
FED			
PRO/PRS		272,700	
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS		272,700	
SEG/SEG-S			
TOTAL State Revenues		\$272,700	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$667,700	\$
NET CHANGE IN REVENUE		\$272,700	\$
Agency/Prepared By		Authorized Signature	Date
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