

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-3492/2	Introduction Number SB-331	
Description Prohibiting a person who has been convicted or adjudicated delinquent for committing certain serious crimes or who is the subject of a pending criminal charge or delinquency petition for committing a serious crime from being licensed, certified, or contracted with to provide child care, from being employed or contracted as a caregiver of a child care provider, or from being permitted to reside at a premises where child care is provided and making an appropriation		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <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"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input checked="" 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 checked="" 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 type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DCF 10/13/2009

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Assumptions Used in Arriving at Fiscal Estimate

Current law allows a person who has been convicted or adjudicated delinquent for committing a serious crime to be licensed or certified to operate a day or to be employed by a child care provider if the person has been rehabilitated. This bill prohibits any person who has been convicted or adjudicated delinquent on or after his or her 12th birthday for committing certain serious crimes or who is the subject of a pending criminal charge or delinquency petition alleging that the person has committed certain serious crimes on or after his or her 12th birthday from being licensed, certified, or contracted with to provide child care, from being employed or contracted as a caregiver of a child care provider, or from being permitted to be a nonclient resident of a premises where child care is provided and prohibits such a person from showing that he or she has been rehabilitated. The bill also requires the Department or overseeing agency to revoke the license or certification of a child care provider if the provider, nonclient resident or caregiver is convicted or adjudicated delinquent of a serious crime after his or her 12th birthday and requires the Department to refuse to pay a child care provider on the date of conviction or adjudication. The bill also requires the Department or overseeing agency to suspend the license or certification of a child care provider if the provider, nonclient resident or caregiver is the subject of a pending criminal charge related to a serious crime after his or her 12th birthday and requires the Department to suspend payment to a child care provider until the final disposition of the charge or delinquency proceeding.

It is estimated that the DCF will need 2.0 LTE positions for six months to process providers who have previously shown rehabilitation, revoke licenses or certification and to find new placement for children currently receiving services from these providers. The estimated one-time cost for compliance with this provision is \$51,200.

Current law currently requires DCF or other overseeing agency to conduct a criminal history search of the child care providers, nonclient residents of the child care premises and all persons under age 18 who are caregivers of the child care provider and to obtain certain other information from various state agencies prior to licensure or certification and every four years thereafter. Current law also requires a child care provider to conduct a criminal history search and obtain certain information regarding a caregiver prior to employing or contracting with the caregiver and every four years thereafter. This bill requires DCF or another overseeing establishment to conduct a criminal history search and to obtain that information with respect to a child care provider every three months after the child care provider is licensed, certified, or contracted with and to conduct that search and obtain that information with respect to a nonclient resident or caregiver under 18 years of age every year after the nonclient resident is permitted to reside at the premises or the caregiver is employed or contracted with. In addition, the bill requires a child care provider to conduct that criminal history search and to obtain that information every year after a caregiver 18 years of age or over is employed or contracted with. In addition to conducting that criminal history search and obtaining that information, the bill requires DCF, a county department, a contracting agency, a school board, or an entity to obtain on those timetables information that is contained in the sex offender registry maintained by the Department of Corrections regarding whether the person has committed a sex offense that is a serious crime.

Currently there are 8,500 licensed and certified providers in the state. The state would be responsible for background checks on 5,400 licensees and 500 certified providers in Milwaukee County for a total of 5,900 providers, with counties responsible for the remaining 2,600 certified providers. Costs for a caregiver criminal history check are currently \$10 per check conducted by the Department or the county and \$21 per check conducted by the licensee on employees.

In addition to the providers, assuming there are on average two nonclient residents or caregivers under the

age of 18 and assuming background checks are done on one-fourth of these providers each year, or 6,375, the annual cost to the Department and counties for these checks is currently estimated at \$63,800, which are then passed through to providers. Under this bill, the number of background checks conducted by the Department and counties would increase to 51,000 annually (quarterly for the provider and annually for nonclient residents or caregivers) at a cost of \$510,000, or \$60 per provider, an increase of \$446,200.

For child care providers with other employees, costs would also increase. While turnover in staff is likely that would reduce the number of background checks conducted every four years after the initial check, assuming the 8,500 licensed and certified providers employ an average of 2.5 people and background checks are done on one-fourth of these employees each year, the number of background checks done by providers currently is estimated at 5,313 annually, at a cost of \$111,600. Under this bill, the number of background checks conducted by the providers would increase to 21,250 at an annual cost of \$446,300, or \$53 per provider, an increase of \$334,700.

To support this annual comprehensive check, the Department will need to develop a database system that will match child care provider addresses with other databases to search for incidents of violations. Once established the matching address database system could be executed quarterly. Estimated costs for the matching address database system include one-time costs of 1,500 hours of programming hours at a rate of \$77 per hour for a total of \$115,000. Ongoing costs to maintain and support the database system is estimated at 400 programming hours at \$77 per hour per year for annual expenditures of \$30,800.

The bill also requires many other DCF activities including follow up on all cases suspected to violate the provisions in the bill, including contacting the appropriate agencies, court systems and even agencies in other states. In addition, the bill requires DCF to coordinate compliance of these provisions with counties, school districts and other overseeing establishments. It is estimated that DCF will need an additional 3.0 FTE at a cost of \$219,600 to comply with the proposed mandates.

Total one-time costs to the Department are estimated at \$166,200. Ongoing costs to the Department and local child care administrative agencies are estimated at \$696,600, of which \$446,200 would be charged back to child care providers. Local agency staff costs may also increase as a result of the increased monitoring requirements.

Long-Range Fiscal Implications