

STORAGE NAME: h1423.cfe

DATE: April 4, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
CHILDREN AND FAMILY EMPOWERMENT
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 1423

RELATING TO: Children

SPONSOR(S): Representative Brennan

STATUTE(S) AFFECTED: sections 220.03, 230.2305, 402.3015, 402.302, 402.305,
402.3051, 402.313, 943.0585, 943.059, F.S.

COMPANION BILL(S): SB 630 (Similar)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) CHILDREN AND FAMILY EMPOWERMENT
 - (2) EDUCATION/K-12
 - (3) HEALTH AND HUMAN SERVICES APPROPRIATIONS
 - (5)
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I. SUMMARY:

House Bill 1423 provides for the privatization of at least 25 percent of the prekindergarten early intervention program.

In addition, the bill defines "evening child care" and "weekend child care" and directs the department to develop minimum standards for these types of child care in order to distinguish them from standards imposed on child care provided during normal hours. The bill also allows for a modification of current staff-to-children ratios in child care facilities when there are children of mixed ages and the youngest child is at least 2 years of age.

The department is authorized to adopt rules that establish minimum standards for all licensed family day care homes. Licensure of family day care homes is optional to the care givers, but there is no current statutory authority for the department to adopt rules to form the basis for licensure. Non-related, unregulated care givers receiving a subsidy through public funds are required by the bill to meet the same background screening requirements as personnel in family day care homes.

Finally, the market rate reimbursement for subsidized child care is required to be fully implemented within 6 months of completion of the annual market rate survey. The fiscal impact of this bill is estimated to be in excess of \$16 million, primarily as a consequence of the increase in the payment for subsidized child care to the market rate.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Child day care that is not necessarily educational in nature is regulated through the Department of Children and Family Services under chapter 402, F.S. The term "child day care facility" refers to any child day care center or child day care arrangement which provides child day care for more than 5 children unrelated to the operator and which receives a payment, fee, or grant for any of the children receiving day care. The term "family day care home" means an occupied residence in which child day care is regularly provided for children from at least 2 unrelated families and which receives a payment, fee, or grant for any of the children receiving day care. Family day care homes are currently allowed to undergo voluntary licensure, but there is no statutory authority for the department to adopt rules specifying the standards necessary to provide licenses.

Specific staff-to-children ratios by age of the child are set forth in s. 402.305, F.S. Currently, there is no specific definition for "evening child care" or for "weekend child care" nor is the department authorized to modify its standards for evening or weekend child care, and any family day care home or child day care facility that chooses to offer evening or weekend child care must meet the same staffing and space requirements as for regular day time child care. According to the Florida Children's Forum, a statewide child care resource and referral network, only a very small percentage of day care facilities provide evening or weekend child care. One reason for this is that standards require that one staff person with a child development associate credential be available for every 20 children in a child care facility. This particular requirement, according to the Department of Children and Family Services, is not necessary between the hours of 6:00 p.m. and 7:00 a.m. There are other, similar requirements, that are equally unnecessary for evening or weekend child care.

The department does not have statutory authority to adjust current child care standards to take into account unique circumstances for evening child care and children in mixed age groups. For example, the statutes require that child care facilities have one staff person with a child development associate (CDA) credential (or an equivalent credential) for every 20 children. However, there is no need to require child care facilities to have a CDA staff person on an evening or midnight shift. Similarly, in mixed age groups, if the group has 18 four-year-old-children and 2 three-year-old children, the three-year-old staff child ratio, which is more stringent and more costly applies. Because there is no specified provision in the statute for adjusting staffing standards when children of mixed ages are in care, the department requires a facility to meet the standard for the youngest child and apply that to all of the children.

The rates currently paid for subsidized child care are negotiated between the district and the community coordinated child care agencies under the authority of s. 402.3051, F.S., up to the prevailing market rate. The prevailing market rate is defined as the 75th percentile of the market rate as determined by an annual market survey. The

department estimates that about half the districts do not pay at the prevailing market rate.

B. EFFECT OF PROPOSED CHANGES:

House Bill 1423 provides for the privatization of at least 25 percent of the prekindergarten early intervention program. In addition, the bill defines "evening child care" and "weekend child care" to s. 402.302, F.S., and directs the department to develop minimum standards for these types of child care providers in order to distinguish them from standards imposed on child care provided during normal hours. This provision will enable the department to develop standards that are more suitable for evening and weekend child care. If the modification of standards results in less stringent requirements of the provider, this may encourage providers to increase the availability of evening and weekend child care.

The bill also allows for a modification of current staff-to-children ratios in child care facilities when there are children of mixed ages and the youngest child is at least 2 years of age. The department reports that this will result in reduced costs to a child care facility.

Non-related, unregulated care givers receiving a subsidy through public funds are required to meet the same background screening requirements as personnel in family day care homes, as specified in s. 435.04, F.S.

The market rate reimbursement for subsidized child care is required to be fully implemented within 6 months of completion of the annual market rate survey.

Finally, the department is provided with statutory authorization to adopt rules that establish minimum standards for all licensed family day care homes. This provision statutory authority to continue rules which had been promulgated before specific statutory authority was required. The provision was part of the conference report for 96-175, Laws of Florida, the Work and Gain Economic Self-sufficiency (WAGES) Act, but was inadvertently omitted from the final bill.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. *Does the bill create, increase or reduce, either directly or indirectly:*

i. *Any authority to make rules or adjudicate disputes?*

The bill provides statutory authority for rule making to establish minimum standards for all licensed family day care homes.

ii. *Any new responsibilities, obligations or work for other governmental or private organizations or individuals?*

School districts are required to administer grants to privatize at least 25 percent of the prekindergarten early intervention program.

iii. *Any entitlement to a government service or benefit?*

No.

b. *If an agency or program is eliminated or reduced:*

i. *What responsibilities, costs and powers are passed on to another program, agency, level or government, or private entity?*

Not applicable.

ii. *What is the cost of such responsibility at the new level/agency?*

Not applicable.

iii. *How is the new agency accountable to the people governed?*

Not Applicable.

2. Lower Taxes:

a. *Does the bill increase anyone's taxes?*

No.

b. *Does the bill require or authorize an increase in any fees?*

No.

c. *Does the bill reduce total taxes, both rates and revenues?*

No.

d. *Does the bill reduce total fees, both rates and revenues?*

No.

e. *Does the bill authorize any fee or tax increase by any local government?*

No.

3. Personal Responsibility:

a. *Does the bill reduce or eliminate an entitlement to government services or subsidy?*

No.

b. *Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?*

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No.

4. Individual Freedom:

- a. *Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?*

The bill provides alternative standards for evening child care at licensed facilities, which should increase access to evening child care and assist WAGES participants in securing and keeping employment.

- b. *Does the bill prohibit, or create new government interference with, any presently lawful activity?*

The bill continues the program that allows the department to establish standards for voluntary licensure of family day care homes.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- i. *Who evaluates the family's needs?*

The family determines where to secure child care.

- ii. *Who makes the decisions?*

The department currently determines the family's needs for subsidized child care. This bill makes no change in that policy.

- iii. *Are private alternatives permitted?*

Yes.

- iv. *Are families required to participate in a program?*

No.

- v. *Are families penalized for not participating in a program?*

No.

- b. *Does the bill directly affect the legal rights and obligations between family members?*

No.

- c. *If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:*

I. *Parents and guardians?*

Parents retain the right to choose child care providers.

ii. *Services providers?*

No.

iii. *Government employees/agencies?*

No.

D. SECTION-BY-SECTION RESEARCH:

Section 1 amends s. 230.2305, F.S., related to the prekindergarten early intervention program, to update the name of the department to “Children and Family Services,” and to require the privatization of at least 25 percent of the prekindergarten early intervention program by each school district.

Section 2 amends s. 402.302, F.S., related to definitions, to update the name of the department to “Children and Family Services” and to add a definition of “evening child care.”

Section 3 amends s. 402.305 F.S., related to licensing standards for child care facilities to allow the staff-to-children ratio for mixed age groups to be based on the standards for the predominant age group and for the department to adopt rules to provide standards for evening child care which are distinct from the standards for day child care.

Section 4 amends s. 402.3015, F.S., related to the subsidized child care program, to require screening for unregulated child care providers who are not relatives of the children in care, but who receive subsidized child care dollars.

Section 5 amends s. 402.3051, F.S., related to child care market rate reimbursement, to provide that the market rate reimbursement would be fully implemented for subsidized child care within 6 months of the completion of the annual market rate survey.

Section 6 amends s. 402.313, F.S., to add a provision for the department to establish minimum standards for all licensed family day care homes. This is a voluntary program. Statutory authority was part of the conference report for the WAGES bill but was inadvertently omitted from the final bill.

Section 7 amends s. 220.03, F.S., relating to child care tax credits to correct a statutory reference.

Section 8 amends s. 943.0585, F.S., related to criminal history records, to update the name of the department to “Children and Family Services,” and correct a statutory reference.

Section 9 amends s. 943.059, F.S., related to sealing of criminal history records to update the name of the department to “Children and Family Services,” and correct a statutory reference.

Section 10 provides for an effective date.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

There may be a slight workload and fiscal impact on the department related to the adoption of rules for evening child care, weekend child care, and family day care homes.

There are approximately 2000 unregulated child care providers who are not relatives of the children for whom they are providing subsidized child care. The costs to the providers to be screened in accordance with section 4 of the bill will be an initial cost of \$32 per individual. Total initial cost for these providers will be \$64,000.

2. Recurring Effects:

Every 5 years unregulated providers would have to be rescreened by the Florida Department of Law Enforcement at a cost of \$8. The cost to the Department of Children and Families to process the screening requests is \$18 per request. For the current estimated group of 2000 providers the recurring costs would be \$52,000 every 5 years.

There is no method to calculate the number of new unregulated providers who would begin providing care each year. Each new provider would be required to assume the \$32 initial and \$8 cost for rescreening each 5 years and the Department of Children and Families cost to process all new requests would be \$18 per screening.

Based on a survey by the Department of Children and Families, it would cost about \$16 million to increase payments for subsidized child care to the market rate as defined in s. 402.3051, F.S., (section 5 of the bill).

3. Long Run Effects Other Than Normal Growth:

The bill should facilitate the development of a system of evening child care and assist in the reduction of the welfare rolls.

4. Total Revenues and Expenditures:

In excess of \$16 million.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

There may be some administrative costs to local school districts related to the administration of privatized prekindergarten early intervention programs.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

The following provisions in this bill may result in reduced costs to child care facilities:

1. The modification of the staff-to-children ratio when children of mixed ages are in care; and
2. The authority for the Department of Children and Family Services to develop standards specifically for evening and weekend child care.

3. Effects on Competition, Private Enterprise and Employment Markets:

The bill should improve the employability of WAGES recipients by expanding opportunities for evening child care.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

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B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

V. COMMENTS:

The reference to "market rate reimbursement" in section 5, on page 14, lines 17 and 18 of the bill should be corrected to "prevailing market rate" to be consistent with the terminology in s. 402.3051, F.S.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON CHILDREN AND FAMILY EMPOWERMENT:

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