

February 23, 2011

The Honorable Mike Kiegerl, Chairperson  
House Committee on Children and Families  
Statehouse, Room 173-W  
Topeka, Kansas 66612

Dear Representative Kiegerl:

**SUBJECT:** Fiscal Note for HB 2111 by House Committee on Children and Families

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2111 is respectfully submitted to your committee.

HB 2111 would amend current law regarding child care. The bill would repeal the provisions of 2010 HB 2356, returning to the 2009 statutes regarding child care. HB 2111 would include the following major changes:

1. Reinstate the category of "Registered Daycare Home;"
2. "Family Daycare Home" would be defined to allow for a maximum of six children under the age of 16, or no more than three children under the age of three, with a registration fee of \$15. This category would not be considered in the definition of a child care facility, and would be subject to inspection only upon complaint. The Department of Social and Rehabilitation Services (SRS) would adjust rules and regulations for this category;
3. Repeal provisions placing a permanent licensing prohibition on certain offenders;
4. Repeal requirements for expiration stickers on licenses and that child care facilities be operated by a person with a high school education or its equivalent;
5. Repeal requirements for providing online access to facility compliance history and for more public access to child care facility records;
6. Reduce fees to FY 2009 levels as follows: from \$150 to \$75 for maternity centers, child placement agencies, child care resource and referral agencies; and from \$75 to \$35 plus \$1 times the number of children for all other child care facilities;
7. Deposit fee revenue in the State General Fund, and the Maternity Centers and Child Care Licensing Fee Fund would be eliminated;

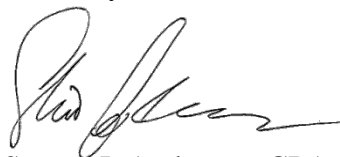
8. Repeal certain safety requirements regarding hand washing, storage of substances, safety gates, safe sleep practices, and others.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	\$386,137	(\$703,420)
Expenditure	--	--	--	(\$178,186)
FTE Pos.	--	--	--	(1.00)

HB 2111 would decrease costs by \$111,688 in federal funds for the Department of Social and Rehabilitation Services (SRS) for FY 2012 because the payment rate for registered providers is approximately 39.0 percent lower than the rate for licensed providers. The amount that was included in the fiscal note attributable to SRS in 2010 HB 2356 was an increase of \$275,313 because the rate for licensed providers is higher. The reason for the difference between the previous and the current bill is that a number of registered providers had changed to licensed providers when HB 2356 passed, and would stay at that classification until the expiration of a one-year license. It is expected that in future years those who converted to licensed providers will revert to the family daycare home category, because of less stringent licensing requirements and lower fees. The Department estimates the bill would reduce expenditures by \$283,634 in FY 2013.

The fiscal effect of the bill for KDHE would be to eliminate the FY 2012 projected fee revenue increase, and increased expenditures for a new position that was added to the agency's budget based on 2010 HB 2356. In terms of the current bill, KDHE estimates a revenue decrease of \$703,240 and an expenditure decrease of \$66,498 in salaries and wages for the 1.00 FTE position. HB 2111 would require that fee revenue collected go to the State General Fund, and the Division of the Budget estimates that the State General Fund increase would be limited to \$386,137 because the fees for all categories have been reduced to half the amount estimated for the previous year's bill. The revenue decrease estimated by KDHE for FY 2012 is based on the amount that was added to the budget when the previous bill passed. Any fiscal effect resulting from the passage of HB 2111 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Dan Lewien, SRS  
Pat Kuester, Health & Environment