



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bills 1215 and 1228 (as introduced 5-13-04)

Sponsor: Senator Bev Hammerstrom (S.B. 1215)

Senator Buzz Thomas (S.B. 1228)

Committee: Economic Development, Small Business and Regulatory Reform

Date Completed: 5-19-04

CONTENT

The bills would amend separate acts regarding adult foster care facilities and child care organizations, to require the Family Independence Agency (FIA) to do the following:

- Issue initial and renewal licenses within 180 days of the date of application, beginning on the bills' effective date.**
- Refund the application fee and reduce the applicant's next renewal application, if any, by 15%, if the FIA missed the deadline.**
- Submit to the Legislature an annual report regarding license applications.**

Specifically, subject to certain exceptions described below, the FIA would have to issue an initial or renewal license or registration within 180 days after an applicant filed a completed application. Within 10 days after receiving an application it considered incomplete, the FIA would have to give the applicant written notice describing the deficiency and requesting additional information. The 180-day period would be tolled (suspended) upon notification of a deficiency until the FIA received the requested information.

If the FIA failed to issue or deny a license or registration within the time required, it would have to return the license or registration fee and reduce the fee for the applicant's next renewal application, if any, by 15%. The FIA would be prohibited from discriminating against an applicant in the processing of the application based upon the fact that the application fee was refunded or discounted.

By January 31 of each year, beginning in 2005, the FIA Director would have to submit a report to the standing committees and Appropriations subcommittees of the Senate and House of Representatives concerned with human services and children's issues. The Director would have to include all of the following information in the report concerning the preceding calendar year:

- The number of initial and renewal applications the FIA received and completed within the 180-day time period.
- The number of applications requiring a request for additional information.
- The average time for an applicant to respond to a request for additional information.
- The number of applications rejected, categorized by reason for rejection.
- The amount of application fees returned to licensees and registrants.
- The number of licenses not issued within the 180-day period.

-- The average processing time for initial and renewal licenses granted after the 180-day period.

The attached table indicates the application and license fees for adult foster care facilities and child care organizations, the number of licensees in 2003, and the license fee revenue collected in fiscal year 2001-02.

Senate Bill 1215

The bill would amend the Adult Foster Care Facility Licensing Act, which provides for the licensure of adult foster care facilities. Under this bill, 180-day period for granting a license would be tolled either upon notification by the FIA of a deficiency (as described above), or upon notification by the FIA that a corrective action plan was required, until the FIA determined that the requirements of the plan had been met.

Senate Bill 1228

The bill would amend the child care licensing Act, which provides for the licensure of child care organizations (e.g., child caring institutions, child placing agencies, child care centers, and day care centers). The Act also provides for the registration of family day care homes. A six-month provisional license is issued to a facility for its first six months of operation, and a regular license is effective for two years.

The bill's 180-day requirement would be subject to current provisions regarding applicants contracting with county juvenile agencies. Under the Act, if a county juvenile agency certifies to the FIA that it intends to contract with an applicant for a new license, the FIA must issue or deny the license within 60 days after it receives a complete application.

Also, the 180-day requirement would not affect the time period within which an on-site visit to a family day care home must be made.

MCL 400.713 (S.B. 1215)
722.115 & 722.119a (S.B. 1228)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bills would have an indeterminate impact on State government. Each type of facility-- family or group homes to centers to child caring institutions and placing agencies--has a different fee for various types of licensure: six-month temporary or provisional license to a regular annual or biennial license. Fees for initial adult foster care license application range from \$65 to \$170 per facility. Using an assumption of 3% growth or 128 applications, if the FIA failed to issue an initial license within the 180 days, the department would be required to return approximately \$13,430 to temporary license applicants. In addition, these applicants would receive a 15% reduction in the license renewal application fee or \$743 for a total of \$14,172 in State costs. Fees for original child care license applications range from \$25 to \$150 per facility. Using an assumption of 3% growth or 591 applications, if the FIA failed to issue licenses in 180 days, the amount to be returned to applicants would be approximately \$21,885. In addition, a 15% reduction in renewal application fees would be approximately \$7,878 for a total of \$29,763 in State costs. There would be some Department of Information Technology and FIA costs to reconfigure the information systems to provide for monitoring, returning fees, and reporting.

Fiscal Analyst: Constance Cole

Adult Foster Care Facility Fees*

Facility	Temporary License	Subsequent License	Total 2003 Licensees	FY 2001-02 Revenue Collections
Family Home	\$65.00	\$25.00	1,255	
Small group home (1-6)	105.00	25.00	1,874	
Small group home (7-12)	135.00	60.00	646	
Large group home	170.00	100.00	475	
Congregate facility	220.00	150.00	2	
Camp	40.00	25.00		
				\$143,081

Child Care Organization Fees*

Facility	Original Application	Renewal Application	Total 2003 Licensees	FY 2001-02 Revenue Collections
Family Day Care Home	\$25.00	\$10.00	11,269	\$154,660
Group Day Care Home	40.00	20.00	3,374	(combined w/ above)
Child Care Center				\$110,364
1-20 children	50.00	25.00	1,206	
21-50 children	60.00	30.00	1,867	
51-100 children	70.00	35.00	296	
101+ children	80.00	40.00	469	
Child Caring Institution				\$7,442
1-12	75.00	25.00	100	
13-20	100.00	50.00	41	
21-50	125.00	75.00	57	
51+	150.00	100.00	39	
Child Placing Agency (placement only)				
24 or fewer	25.00	35.00	73	
25-50	25.00	40.00	37	
51-100	25.00	45.00	27	
100-200	25.00	50.00	26	
201+	25.00	55.00	7	
Child Placing Agency (placement & certification)				\$6,796
24 or fewer	50.00	60.00	75	
25-50	50.00	65.00	33	
51-100	50.00	70.00	35	
101-200	50.00	75.00	30	
201+	50.00	80.00	29	
Child Camp				\$13,444
1-100	50.00	25.00	279	
100+	100.00	50.00	324	

* Source: Department of Consumer and Industry Services, 4-16-03.
Fees are biennial, except camp fee is annual.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.