



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 1228 (Substitute S-1 as reported)

Sponsor: Senator Buzz Thomas

Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

The bill would amend the child care licensing Act to require the Family Independence Agency (FIA) to do the following:

- Issue an initial or renewal license or registration for a child care center, group day care home, or family day care home within six months after receiving a "completed application" (as defined in the bill).
- Notify the applicant in writing, or make notice electronically available, within 30 days after receiving an incomplete application.
- Return the license or registration fee and reduce the fee for the applicant's next renewal, if any, by 15% if the FIA failed to meet the deadline.
- Report to the Legislature by December 1 each year, beginning in 2005, on the number of applications received and completed by the deadline, the number requiring additional information, the number rejected, the number of licenses or registrations not issued within the six-month period, and the average processing time for those after the six-month period.

If, on a contractual basis, inspections performed by a local health department delayed the FIA in issuing or denying licenses or registrations within the six-month period, the FIA could use its staff to complete the inspections. Beginning October 1, 2005, a "completed application" would not include a health inspection performed by a local health department.

MCL 722.115 & 722.119a

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill 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 original child care license applications range from \$25 to \$150 per facility. In FY 2001-02, total fee revenue was \$292,706. Using an assumption of 3% growth or 591 applications, if the FIA failed to issue licenses in six months, 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.

Date Completed: 6-14-04

Fiscal Analyst: Constance Cole

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