

# Legislative Analysis



## CHILD CARE CENTER FIRE PREVENTION

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 5637 as reported**  
**Sponsor: Rep. Jamie Churches**

Analysis available at  
<http://www.legislature.mi.gov>

**House Bill 5638 as reported**  
**Sponsor: Rep. Alabas Farhat**

**House Bill 5639 as reported**  
**Sponsor: Rep. Denise Mentzer**

**Committee: Tax Policy**  
**Complete to 12-13-24**

### SUMMARY:

**House Bill 5638** would amend 1973 PA 116, which addresses the licensing and regulation of child care organizations, to amend the circumstances in which a child care center in a school building is exempt from the administrative rules pertaining to fire prevention and safety.

Currently, the act requires the Department of Lifelong Education, Advancement, and Potential (MiLEAP)<sup>1</sup> to promulgate rules on a variety of topics related to child care organizations, including safety, appropriateness, cleanliness, and general adequacy of the premises, including maintenance of adequate fire prevention and health standards to provide for the physical comfort, care, and well-being of the children received. The act provides that the fire prevention and safety rules do not apply to a child care center established and operated by an intermediate school board, the board of a local school district, or by the board or governing body of a state approved nonpublic school, if the child care center is located in a school building that is approved by the Bureau of Fire Services created in section 1b of the Fire Prevention Code,<sup>2</sup> or other similar authority as provided in section 3 of 1937 PA 306,<sup>3</sup> for school purposes and is in compliance with the school fire safety rules, of the Michigan Administrative Code,<sup>4</sup> as determined by the bureau or a fire inspector certified under section 2b of the Fire Prevention Code.<sup>5</sup>

The bill would provide that these facilities, when located inside of schools, are also exempt if the superintendent of the intermediate or local school district certifies that the school building has the approval described above.

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<sup>1</sup> While the act and the bill both still reference the Department of Licensing and Regulatory Affairs (LARA), all powers and duties related to the licensing and regulation of children's camps, child care centers, day care centers, family day care homes, and group day care homes under the act have been transferred from LARA to MiLEAP under Executive Reorganization Order (ERO) 2023-2. See <https://www.legislature.mi.gov/Laws/MCL?objectName=MCL-388-1283>

<sup>2</sup> <https://www.legislature.mi.gov/Laws/MCL?objectName=MCL-29-1B>

<sup>3</sup> <https://www.legislature.mi.gov/Laws/MCL?objectName=MCL-388-853>

<sup>4</sup> [ars.apps.lara.state.mi.us/AdminCode/DownloadAdminCodeFile?FileName=964\\_2011-002LR\\_AdminCode.pdf&ReturnHTML=True](https://ars.apps.lara.state.mi.us/AdminCode/DownloadAdminCodeFile?FileName=964_2011-002LR_AdminCode.pdf&ReturnHTML=True)

<sup>5</sup> <https://www.legislature.mi.gov/Laws/MCL?objectName=MCL-29-2B>

Under the bill, the superintendent would provide this certification that the school building meets the requirements in lieu of an inspection by MiLEAP staff, the Bureau of Fire Services, or local authorities.

FOIA exemption

The bill would provide that an audio or video recording provided to MiLEAP by a child care organization licensee related to an investigation, inspection, or examination of the organization is exempt from disclosure under the Freedom of Information Act (FOIA).

MCL 722.112 et al.

**House Bill 5637** would create a new act to require reimbursements to child care providers under the Child Development and Child Care Program<sup>6</sup> to be adjusted annually for inflation using the Detroit Consumer Price Index.

**House Bill 5639** would amend 1973 PA 116 to require MiLEAP and the Department of Health and Human Services (DHHS) to establish a process to allow child care organization licensees to request a review of and to appeal a determination by the applicable department that the organization violated a rule promulgated under the act, as long as the violation would not result in a denial, revocation, or refusal to renew the licensee's license under the act or an injunction issued under the act. The process would have to be in writing and posted on the website of the applicable department.<sup>7</sup>

Proposed MCL 722.122a

**BRIEF DISCUSSION:**

According to committee testimony, Michigan's child care capacity has plummeted as facilities are forced to close due to high costs and other barriers. This has had widespread effects on the state, including lowered workforce participation as new parents are forced to choose between working and having child care. Supporters of the bills argue that they will address some of the burdens on child care facilities by streamlining certain regulatory issues and increasing the rate at which they are reimbursed.

**FISCAL IMPACT:**

**House Bill 5637** would create indeterminate costs for the state. The requirement to adjust provider reimbursement rates on an annual basis by a percentage equal to the Detroit Consumer Price Index would create variable cost increases each year dependent on both the value of the Detroit Consumer Price Index and annual caseload growth.

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<sup>6</sup> <https://www.michigan.gov/mileap/early-childhood-education/early-learners-and-care/cdc>

<sup>7</sup> Under 1973 PA 116 and ERO 2023-2, MiLEAP is responsible for licensing and regulatory matters for child care centers, group child care homes, family child care homes, children's camps, and children's campsites, while DHHS is responsible for licensing and regulatory matters for child caring institutions, child placing agencies, children's therapeutic group homes. The provisions of House Bill 5639 would appear to apply to both departments and the applicable child care organizations within each respective area of responsibility. DHHS is also responsible for foster family homes and foster family group homes under the act, but these are not considered child care organizations under the act and so the provisions of House Bill 5639 would not apply to them.

**House Bill 5638** would likely have a minimal fiscal impact on the state, local school districts, and intermediate districts (ISDs). The costs associated with the need for superintendent certification should be covered under current funding levels. Districts and ISDs could incur increased costs for background checks if the current appropriation levels for the Department of State Police do not match the costs of providing the checks.

**House Bill 5639** would create indeterminate costs for the state. Under the requirements in the bill, MiLEAP is given the authority to determine the appeal process, and the magnitude of the costs would be determined by the process the department creates and the number of appeals filed. The requirement to publicly post the review process would be absorbed using existing staff time.

House Bill 5639 would also increase costs for the Department of Health and Human Services by an indeterminate amount that would be dependent on the administrative cost of establishing and implementing a process for licensed child care organizations to review and appeal a rule violation determined by the department.

**POSITIONS:**

The following entities indicated support for the bills:

- Early Childhood Investment Corporation (12-4-24)
- Grand Rapids Chamber (12-11-24)

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