



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: H.B. 77 of the 132nd G.A.
(L_132_0061-1)

Status: In House Economic Development, Commerce, and Labor

Sponsor: Rep. Retherford

Local Impact Statement Procedure Required: No

Subject: Licensing sick-child care centers

State Fiscal Highlights

- The bill requires the Director of the Ohio Department of Job and Family Services (ODJFS) to establish a licensure program for sick-child care centers at an estimated one-time cost of up to \$200,000.
- ODJFS will spend up to \$1,500 to inspect each sick-child care center that applies for a license. This cost will be partially offset by an application fee, the amount of which will likely be \$500.
- ODJFS will also incur continuing costs to monitor the newly licensed centers. ODJFS will likely need to inspect each center at least once annually, again at a cost of about \$1,500 per center, and will need to investigate any complaints and pursue disciplinary action as necessary.

Local Fiscal Highlights

- The bill could result in an increase in complaints filed with common pleas courts for sick-child care centers operating without a license. There could be an increase in court costs and a subsequent gain in court fine revenue for any violations.

Detailed Fiscal Analysis

The bill requires the Director of the Ohio Department of Job and Family Services (ODJFS) to license sick-child care centers, which are defined as facilities that provide child care on a temporary, irregular basis to children with short-term illnesses. ODJFS estimates it will cost up to \$200,000 to establish the licensure program, including system changes, policy and training development, and customer service. The bill requires ODJFS, in consultation with the Ohio Department of Health (ODH), to adopt rules governing the operation of sick-child care centers, including procedures for issuing, denying, and revoking a license; receiving and responding to complaints; and conducting inspections. Both departments will realize a minimal increase in costs to promulgate rules.

Continuing costs will largely depend on the number of facilities that receive licenses. The bill requires the ODJFS Director to issue a license to a center after investigating and inspecting it and determining it satisfies licensing requirements. ODJFS estimates the cost of this investigation and inspection will be up to \$1,500. However, if adopted rules require staff from ODH to be involved, the cost could be higher. The bill provides for an initial application fee to be set by the ODJFS Director in rules. According to ODJFS, the license application fee will likely be \$500 per address, which is the same fee amount currently charged to child care centers. The bill requires the fee to be credited to the General Revenue Fund.

In addition to initial licensing costs, ODJFS will incur continuing costs to monitor licensed sick-child care centers. Current rules for licensed child care centers require inspection of a center at least once each state fiscal year;¹ however, sick-child care centers could be inspected more frequently than child care centers depending on adopted rules. As with the initial inspection, the costs of each inspection is estimated at about \$1,500. ODJFS will also incur costs to conduct investigations of complaints that could result in disciplinary actions and to carry out any disciplinary and appeal hearings.

The bill further requires the ODJFS Director to notify the Attorney General, prosecuting attorney of the county in which the sick-child care center is located, or the city attorney, village solicitor, or other chief legal officer of the municipal corporation in which the sick-child care center is located, if a sick-child care center is operating without a license. The entity receiving this notification will be required to file a complaint in the court of common pleas in which the sick-child care center is located requesting that the court grant an order enjoining the owner from operating the sick-child care center without a license. The number of complaints filed will likely be few, so associated costs will likely be minimal.

The bill contains criminal penalties for operating a sick-child care center without a license, including a fine of \$100 to \$500 multiplied by the average number of children receiving child care at the sick-child care center. Additional fines might be levied if an individual has violated this provision two or more times. As a result, there could be an increase in court costs if criminal cases are brought and a gain in fine revenue if criminal charges are brought and defendants are found guilty.

¹ Ohio Administrative Code 5101:2-12-03.