



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 18-0319 Date: February 6, 2018
Prime Sponsors: Sen. Martinez Humenik Rep. Buckner; Wilson Bill Status: Senate Health and Human Services Fiscal Analyst: Bill Zepernick | 303-866-4777 Bill.Zepernick@state.co.us

Bill Topic: SUBSTITUTE PLACEMENT AGENCY LICENSURE

- Summary of Fiscal Impact: State Revenue, State Expenditure (minimal), State Transfer, TABOR Refund, Local Government, Statutory Public Entity

This bill creates a new license type for substitute placement agencies. It will increase state revenue, workload, and expenditures by a minimal amount on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Early Childhood and School Readiness Legislative Commission.

Table 1 State Fiscal Impacts Under SB 18-162

Table with 4 columns: Category, Cash Funds, FY 2018-19, FY 2019-20. Rows include Revenue, Expenditures, and Transfers.

## Summary of Legislation

This bill creates a new license type for substitute placement agencies that place or facilitate the placement of substitute child care providers in licensed child care facilities. The State Board of Human Services must promulgate rules on the new license type. Substitute child care providers must submit to a fingerprint-based criminal history background check and a search of the state's child abuse and neglect data system.

## State Revenue

Beginning in FY 2018-19, this bill increases state cash fund revenue by a minimal amount from license fees and background check fees. Total annual revenue is expected to be less than \$5,000 from these two sources. The fee impacts are discussed below and summarized in Table 2.

**License fees.** Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. The Department of Human Services must set license fees for substitute placement agencies. While the fee amount is unknown at this time, assuming a fee of \$100 per agency and 25 placement agencies, fee revenue will be less than \$2,500. Fee revenue will be deposited to the Child Care Licensing Cash Fund.

**Background check fees.** Substitute child care providers who work through a substitute placement agency are required to undergo a fingerprint-based criminal history background check. The fee for a federal and state background check is \$39.50, of which \$10 is passed on to the Federal Bureau of Investigation and \$29.50 is deposited into the CBI Identification Unit Cash in the Department of Public Safety. Assuming each substitute placement agency has around 8 child care providers, there may be around 200 substitute child care providers statewide. However, many of these providers have likely already undergone a background check (for example, if they work both at a child care facility and through a substitute placement agency). Assuming up to 60 additional background checks per year, revenue will be less than \$2,500.

**Table 2**  
**Fee Impacts Under SB 18-162**

| Type of Fee                   | Estimated Fee | Number Affected | Total Fee Impact |
|-------------------------------|---------------|-----------------|------------------|
| Agency License Fee            | \$100         | 25              | \$2,500          |
| Provider Background Check Fee | \$39.50       | 60              | \$2,370          |
| <b>Annual Fee Revenue</b>     |               |                 | <b>\$4,870</b>   |

## State Expenditures

Beginning in FY 2018-19, the bill increases workload and expenditures by a minimal amount in several state agencies. Staff in the Department of Human Services will have to promulgate rules for the new license type, process applications, and monitor licensed substitute placement agencies. The Department of Law will provide legal assistance during rulemaking and during any disciplinary license actions taken under the new license type. The Department of Public Safety will have a small number of additional background checks to process and will pass through a minimal amount of funds to the federal government. This work can be accomplished by existing staff and no changes in appropriations are required for any state agency.

**Effective Date**

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

**State and Local Government Contacts**

Counties  
Law

Human Services  
Public Safety

Information Technology