



**Colorado
Legislative
Council
Staff**

SB17-110

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0806 **Date:** June 1, 2017
Prime Sponsor(s): Sen. Crowder; Kefalas **Bill Status:** Signed into Law
 Rep. Danielson; Wilson **Fiscal Analyst:** Bill Zepernick (303-866-4777)

BILL TOPIC: ACCESSIBILITY OF EXEMPT FAMILY CHILD CARE

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue Cash Funds	Minimal decrease.	
State Expenditures Cash Funds	Minimal workload decrease.	
TABOR Impact	Minimal decrease.	
Appropriation Required: None.		
Future Year Impacts: Ongoing minimal decrease in state revenue and workload.		

Summary of Legislation

Under current law, a family child care home is exempt from child care licensing requirements if they provide care for less than 24 hours for one child or for two or more siblings from the same family household. This bill modifies this exemption so that an individual who provides care in a place of residence for less than 24 hours is exempt from child care licensing if one of the following conditions are met:

- the children being cared for are related to the caregiver, the children are related to each other from a single family unrelated to the caregiver, or a combination of such children; or
- there are no more than four children being cared for, with no more than two children under two years of age from multiple families, regardless of the children's relationship to the caregiver.

The modified licensing exemption under the bill will repeal on September 1, 2020.

Assumptions

Under current law, licensed family child care homes may serve up to eight children. It is assumed that these facilities operate near their cap in order to maximize revenue. In addition, in the child care market place, licensed child care facilities receive higher rates than unlicensed facilities. Many facilities meeting the bill's exemption also meet the exemption under current law

or operate informally without a license. Given these factors, it is assumed most currently licensed facilities will continue to be licensed and the bill will not significantly affect the number of licensed child care facilities in the state.

State Revenue

To the extent the bill reduces the number of child care facilities required to be licensed, cash fund revenue to the Department of Human Services may decrease by a minimal amount starting in FY 2017-18. Based on the assumptions above, any potential decrease will be minimal. The current fee to become a licensed family child care home is \$27 for both an initial and continuation license.

TABOR Impact

This bill potentially reduces state cash fund revenue from fees, which will reduce the amount of money required to be refunded under TABOR for FY 2017-18 and FY 2018-19. TABOR refunds are paid out of the General Fund. Since the bill reduces the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will increase by an identical amount.

State Expenditures

The Department of Human Services may have a minimal decrease in workload to process fewer child care licenses or investigate complaints. Any impact is assumed to be minimal and no change in appropriations is required.

Effective Date

The bill was signed into law by the Governor on March 30, 2017, and takes effect August 9, 2017, assuming no referendum petition is filed.

State and Local Government Contacts

Counties Human Services Information Technology Law