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SFA**BILL ANALYSIS**

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Senate Bill 532 (Substitute S-1 as reported by the Committee of the Whole)

Sponsor: Senator Michael J. Bouchard

Committee: Families, Mental Health and Human Services

CONTENT

The bill would amend the child care licensing Act to prohibit the Department of Consumer and Industry Services (DCIS) from issuing or renewing a license or certificate of registration under the Act without requesting the criminal history checks and criminal records checks required under the bill. The bill would require the DCIS to request that the Department of State Police conduct a criminal history check and a criminal records check through the FBI on an application for, or renewal of, a license or certificate of registration for a child care organization; prohibit the granting of an application if the applicant had a "listed conviction"; require a child care organization to request that the State Police conduct a criminal check on job applicants and employees who were at least 16 years old; prohibit the hiring of an applicant who had a listed conviction, and require that an employee who had a listed conviction be dismissed; and allow a parent or guardian to request that the State Police conduct a criminal check of a person at least 16 years old whom the parent or guardian hired or intended to hire to a child care position. If any facility of a child care organization were a private residence, the DCIS also would have to request that the State Police conduct a criminal check of each person who was at least 17 years old and resided or planned to reside there.

Within 45 days after receiving a request under the bill, the State Police would have to conduct a criminal history check (State records) and provide a report of the results. Within seven days of receiving a request, the State Police would have to initiate a criminal records check (FBI records). The State Police could charge a fee that did not exceed the actual cost of conducting a criminal history check or a criminal records check. If a child care organization determined it was necessary to employ a person and the organization had received the results of the State criminal history check, it could employ the person as a conditional employee before receiving the FBI criminal records check report.

If a check performed under the bill revealed that a child care organization applicant or a partner, officer, or manager had a criminal conviction, and the conviction were not a listed conviction, the DCIS could consider the information in determining whether to issue or renew the license or registration. If a conviction were a listed conviction, and the application were for renewal of a license or registration originally issued before the bill's effective date, the DCIS could consider the information in determining whether to renew the license or registration. Upon renewal, the child care organization would have to notify the parent or guardian of each child who used the organization's services of the fact and nature of the listed conviction. If a conviction were a listed conviction, the DCIS would have to deny an application for an original license or registration.

MCL 722.115 et al.

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the Department of State Police. The bill would require the Department to conduct a full criminal history check on an applicant or employee who had given written permission to his or her employer to do so, as well as on child care licensees at the request of the DCIS. The bill would allow the Department to charge for the criminal history check, though it is unclear who would be required to pay it. The Department of State Police fee for a full

criminal history check with both State and Federal fingerprint checks is \$39. The number of possible criminal history checks that would be requested under the bill cannot be determined.

This bill would have a fiscal impact on the Department of Consumer and Industry Services as it currently licenses 51,000 of these organizations and would be required to maintain criminal record checks on all the administrative staffs which includes the partners, officers and managers working for these organizations as well as any individual 17 years of age or older residing in or intending to reside in a child care facility that is a private residence. According to the Department there is no way to estimate what the actual cost of meeting this requirement would be, but the additional administrative responsibility of compiling and maintaining these additional records would increase the costs for the Department.

Moreover, the adoption of this bill would generate significant costs to a myriad of child caring entities. The bill would directly affect them and most likely would indirectly affect at least one State department, the Family Independence Agency (FIA). As an example, in the latest month for which data are available, the Agency made day care payments for 61,100 children. Assuming a staff per child ratio of one to six would result in criminal record checks on almost 10,200 persons. Using an estimate of \$40 per record check, this cost would be \$408,000. While this is a cost that would be incurred only once every two years for each continuing staff person, this would become a "new" cost for each employee turnover. If the annual turnover in staff were 50%, the costs would increase another \$204,000 per year. Likewise, the FIA also covers over 10,000 children per month in a variety of foster care placements. If it is assumed that these placements average only two adults, foster care providers would incur costs of \$800,000 every two years. As FIA day care costs are market price-related, as are eventually foster care payments, these costs would eventually be passed through to the department and thus be borne by Federal and State taxpayers.

While these are costs that can be reasonably estimated for the FIA, they are only a portion of the total economic costs of this bill. With over 1.7 million children under the age of 13 (the ages eligible for Federal child care tax credits), the preponderance of single- and two-person working families and, over 51,000 child caring entities being affected by this legislation, the total costs would be in the millions of dollars.

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