

STORAGE NAME: h3765s1.cfe

DATE: April 15, 1998

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
Children and Family Empowerment
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: CS/HB 3765

RELATING TO: Child care facilities

SPONSOR(S): The Committee on Children and Family Empowerment and Representative Sindler

COMPANION BILL(S): SB 2092 [Compare]

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

(1) Children and Family Empowerment YEAS 6 NAYS 0

(2)

(3)

(4)

(5)

I. SUMMARY:

Committee Substitute for House Bill 3765 excludes from the definition of "child care facility" and thus from meeting licensing requirements under s. 402.305, F.S., operators of transient establishments licensed under ch. 509, F.S., that provide child care services solely for their guests of their establishment or resort, provided all child care personnel of the establishment meet level 2 screening requirements of ch. 435, F.S. Presently, the statute does not exempt lodging, or transient establishments providing child care for their guests, from licensure. The bill requires the department to adopt rules to establish minimum standards for child care facilities that recognizes age appropriate standards and to notify parents of the transfer of ownership of a child care facility one week prior to the transfer. It also requires the department to adopt the State Uniform Building Code for Public Educational Facilities as the standard for child care programs for school-age children operated in a public school. The committee substitute renames the Child Care Partnership Act as the Child Care Executive Partnership Act and makes the following changes:

- ▶ Changes the composition of the partnership board
- ▶ The Legislature is required to annually review the effectiveness of the child care purchasing pool program
- ▶ The state resource and referral agency is authorized to administer the child care purchasing pool funds for statewide businesses
- ▶ The bill provides for the development of procedures for disbursement of funds through the child care purchasing pools
- ▶ All references to pilot child care purchasing pools are deleted
- ▶ Parent fee requirements are revised.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Unless exempted from licensing requirements, all child care facilities must be licensed and meet licensing requirements under s. 402.305, F.S.

Subsection (2) of s. 402.302, F.S., defines child care facility as “. . . any child care arrangement which provides care for more than five children unrelated to the operator” The only exclusions provided are:

- ▶ Public Schools and Non-Public Schools and their integral programs
- ▶ Summer Camps
- ▶ Summer Day Camps
- ▶ Bible Schools

Subsection (5) of s. 402.302, F.S., defines "Drop-in child care" as child care provided occasionally in a child care facility in a shopping mall or business establishment where a child is in care for no more than a 4-hour period and the parent remains on the premises of the shopping mall or business establishment at all times. Drop-in child care arrangements must meet all requirements for a child care facility unless specifically exempted.

Subsection (10) of s. 509.013, F.S., defines "Transient establishment" as any public lodging establishment that is rented or leased to guests by an operator whose intention is that such guests' occupancy will be temporary.

Subsection (4) of s.509.013, F.S., defines "Public lodging establishment" as any unit, group of units, dwelling, building, or group of buildings within a single complex of buildings, which is rented to guests more than three times in a calendar year for periods of less than 30 days or 1 calendar month, whichever is less, or which is advertised or held out to the public as a place regularly rented to guests. License classifications of public lodging establishments, and the definitions therefor, are set out in s. 509.242, F.S. For the purpose of licensure, the term does not include condominium common elements as defined in s. 718.103, F.S.

Presently, the statute does not exempt lodging or transient establishments providing child care for their guests, from licensure.

The level 2 screening requirements of chapter 435 include, but are not limited to, employment history checks, fingerprinting and checks, statewide criminal and juvenile records checks through the Florida Department of Law Enforcement, and federal criminal records checks through the Federal Bureau of Investigation, and may include local criminal records' checks through local law enforcement agencies.

The Child Care Partnership Act provides incentives for employers to contribute to meeting the needs of their employees' families through matching public dollars available for child care. The Child Care Partnership Program was created to utilize state and federal funds as incentives for matching funds derived from local governments, employers, charitable foundations, and other sources, so that Florida communities may create local flexible partnerships with employers. Low income working parents whose

income does not exceed 150 percent of the federal poverty level are eligible for subsidized child care. The board of the Child Care Partnership program, staffed by the Department of Children and Family Services, determines which counties participate in the pilot program and the Legislature annually determines the amount of state or federal low-income child care funds to be used for the program. The child care purchasing pools are required to submit proposals in response to request for proposals issued by the Department of Children and Family Services. The community coordinated child care agency administers the child care purchasing pools. Parents are required to pay a fee based upon the department's subsidized child care sliding fee scale.

The Child Care Partnership has been operating since November of 1996. The Department of Children and Family Services reports 39 businesses currently participate in the program. Participating businesses represent a variety of industries including, but not limited to, banking, computers, food services, and health care. Employers, local government and other contributors contributed \$2 million to the partnership in the 1996-97 fiscal year and contributed \$4 million during the 1997-98 fiscal year.

The Florida Children's Forum is a statewide resource and referral agency for child care and works very closely with the community coordinated child care agencies throughout Florida. According to the Executive Director of the Florida Children's Forum, several major employers in Florida, including NationsBank, Peoples First Community Bank, Allstate, the City of Panama City, the St. Petersburg Times, Tech Data, Lincare, the Veterans Affairs Hospital in Pinellas County, and several nursing facilities in Pinellas County have stated they would be more likely to participate (or increase participation) in the child care cooperatives if the minimum income requirement were raised. Many of these businesses have low income employees whose income ranges from 150 to 200 percent of the federal poverty level.

B. EFFECT OF PROPOSED CHANGES:

Committee Substitute for House Bill 3765 excludes from the definition of "child care facility" and thus from meeting licensing requirements under s. 402.305, F.S., operators of transient establishments licensed under ch. 509, F.S., that provide child care services solely for their guests of their establishment or resort, provided all child care personnel of the establishment meet level 2 screening requirements of ch. 435, F.S. Presently, the statute does not exempt lodging, or transient establishments providing child care for their guests, from licensure. The bill requires the department to adopt rules to establish minimum standards for child care facilities that recognizes age appropriate standards and to notify parents of the transfer of ownership of a child care facility one week prior to the transfer. It also requires the department to adopt the State Uniform Building Code for Public Educational Facilities as the standard for child care programs for school-age children operated in a public school.

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C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

No.

- b. Does the bill require or authorize an increase in any fees?

The bill authorizes businesses to establish parent fee requirements different from the department's fee schedule. However, the fee must be at least to equal the amount identified in the department's subsidized sliding fee scale.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

No.

- e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

Yes, the parents pay a fee equal to or greater than a fee established by the Department of Children and Family Services.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

Community coordinated child care agencies or the state resource and referral agency, contracted and monitored by the Department of Children and Family Services.

(2) Who makes the decisions?

Community coordinated child care agencies or the state resource and referral agency, contracted and monitored by the Department of Children and Family Services.

(3) Are private alternatives permitted?

The Child Care Executive Partnership is a public/private partnership.

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

No.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

Department of Children and Family Services.

D. STATUTE(S) AFFECTED:

Section 402.302, F.S.

E. SECTION-BY-SECTION RESEARCH:

Section 1. Amends subsection (2) of s. 402.302, F.S.

Excludes from the definition of "child care facility," and thus from meeting licensing requirements under s. 402.305, F.S., operators of transient establishments licensed under ch. 509, F.S., that provide child care services solely for the guests of their establishment or resort, provided all child care personnel of the establishment meet level 2 screening requirements of ch. 435, F.S.

Section 2. Amends subsection (1) and (5) and creates subsection (18) of s. 402.305, F.S.

The bill requires the department to adopt rules to establish minimum standards for child care facilities that recognizes age appropriate standards and to notify parents of the transfer of ownership of a child care facility one week prior to the transfer. It also requires the department to adopt the State Uniform Building Code for Public Educational Facilities as the standard for child care programs for school-age children operated in a public school.

Section 3. Amends s. 409.178, F.S.

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Section 4. Provides that the act takes effect upon becoming law.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

Temporary child care arrangements provided in transient lodging establishments, which are presently being licensed and inspected by either the department or local licensing agencies, and which are required to pay a licensing fee, will no longer require licensure nor regular monitoring. This will result in an indeterminable reduction in revenue generated by fees and reduction in the department's workload.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Temporary child care arrangements provided in transient lodging establishments, which are presently being licensed and inspected by either the department or local licensing agencies, and which are required to pay a licensing fee, will no longer require licensure nor regular monitoring.

Participation in the Child Care Executive Partnership program is voluntary. If a business chooses to participate, it must provide a dollar-for-dollar match.

2. Direct Private Sector Benefits:

Businesses that choose to participate in the Child Care Executive Partnership may enjoy higher employee retention rates which could lead to a reduction in recruitment and training costs and higher productivity.

3. Effects on Competition, Private Enterprise and Employment Markets:

Child care providers are encouraged to compete to become members of the child care purchasing pools. Businesses with the child care program (Child Care Executive Partnership) could have a competitive advantage for attracting employees.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities

V. COMMENTS:

None

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

Four amendments were adopted in committee and enrolled in the committee substitute for HB 3765.

Amendment #1 & #2--Exempts from licensing requirements operators transient establishments as defined in chapter 509 that provide child care solely for the guests of their establishment or resort.

Amendment #3-- Requires the department to adopt rules to establish minimum standards for child care facilities that recognizes age appropriate standards. Requires the department

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to adopt the State Uniform Building Code for Public Educational Facilities as the standard for child care programs for school-age children operated in a public school. Requires the department to adopt rules to notify parents of the transfer of ownership of a child care facility one week prior to the transfer.

Amendment #4-- Renames the Child Care Partnership Act as the Child Care Executive Partnership Act and makes the following changes and made several changes in the program.

VII. SIGNATURES:

COMMITTEE ON CHILDREN AND FAMILY EMPOWERMENT:

Prepared by:

Legislative Research Director:

Bob Barrios

Bob Barrios