

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0454
Prime Sponsor(s): Rep. DelGrosso

Date: January 28, 2013
Bill Status: House Public Health Care and Human Services
Fiscal Analyst: Bill Zepernick (303-866-4777)

TITLE: CONCERNING THE LICENSING STATUS OF ENTITIES UNDER THE "CHILD CARE LICENSING ACT" WHEN A NEW FEDERAL EMPLOYEE IDENTIFICATION NUMBER IS ISSUED.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
Cash Funds		
CBI Identification Unit Cash Fund	Decrease - (<\$5,000) per year	
Child Care Licensing Cash Fund	Decrease - (<\$5,000) per year	
State Expenditures		
Cash Funds		
CBI Identification Unit Cash Fund	Decrease - (<\$5,000) per year	
Child Care Licensing Cash Fund	Decrease - (<\$5,000) per year	
FTE Position Change		
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

Under current law, any licensed child care entity that receives a new Federal Employee Identification Number (FEIN) must submit a new application to be licensed. Under the bill, an entity receiving a new FEIN may apply for a renewal of its child care license, rather than submit a new application, if all of the following conditions are met:

- the new FEIN was issued solely as a result of a change in the corporate structure;
- the management or governing body of the entity remains the same as originally licensed; and
- the facilities used by the entity are the same as originally licensed.

Further, when submitting a renewal application in the situation above, only newly hired employees are required to undergo criminal background checks.

State Revenue

The bill reduces cash fund revenue from child care licensing and criminal background checks beginning in FY 2013-14. The changes in the bill are expected to apply to a small number of child care entities that are issued new FEIN in any given year, and thus any revenue change is expected to be minimal. These reductions are discussed below.

Child care licensing. By allowing a renewal application rather than a new application for licensure when a new FEIN is issued, revenue to the Child Care Licensing Cash Fund in the Department of Human Services (DHS) is reduced by a minimal amount (<\$5,000) as renewal fees are lower than original application fees.

Criminal background checks. Revenue to the Colorado Bureau of Investigation (CBI) Identification Unit Cash Fund in the Department of Public Safety (DPS) is decreased by a minimal amount by limiting background checks only to newly hired employees when a renewal application is submitted after a change in an entity's FEIN.

State Expenditures

The bill reduces workload in the DHS and the DPS by a small amount beginning in FY 2013-14. These reductions result from shifting applications for child care licensing to renewal applications rather than original applications and by reducing the number of background checks conducted by the CBI. As discussed in the State Revenue section, only a small number of child care entities are expected to be affected by the bill, so changes in workload will be minimal in these departments and no change in appropriations is required.

Departments Contacted

Human Services

Public Safety