

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
77 South High Street, 9th Floor, Columbus, OH 43215-6136 ♦ Phone: (614) 466-3615
♦ Internet Web Site: <http://www.lsc.state.oh.us/>

BILL: **S.B. 210** DATE: **October 30, 2007**

STATUS: **As Introduced** SPONSOR: **Sen. Mason**

LOCAL IMPACT STATEMENT REQUIRED: **No — Minimal cost**

CONTENTS: **Requires type A and type B family day-care homes to generally procure and maintain liability insurance or a bond and permit an owner of real property where a family day-care home is located to be listed as an additional insured party on a liability insurance policy under certain circumstances**

State Fiscal Highlights

STATE FUND	FY 2008	FY 2009	FUTURE YEARS
Day Care Federal (Fund 3H7)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase in administrative costs	Potential minimal increase in administrative costs	Potential minimal increase in administrative costs

Note: The state fiscal year is July 1 through June 30. For example, FY 2007 is July 1, 2006 – June 30, 2007.

- The bill requires that type A family day-care homes, which are licensed by the state, procure and maintain liability insurance, a bond, or a signed affidavit from parents acknowledging that the home does not carry liability insurance or a bond, and that proof be made available for review during inspection or investigation. As a result, the state may experience a minimal increase in costs associated with inspections.
- The Ohio Department of Job and Family Services will likely experience a minimal increase in administrative costs as a result of educating the counties and providers about the new requirements.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
Counties			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The bill requires that type B family day-care homes, which are certified by county departments of job and family services, procure and maintain liability insurance, a bond, or a signed affidavit from parents acknowledging that the home does not carry liability insurance or a bond, and that proof be made available for review during inspection or



investigation. As a result, the county departments of job and family services may experience a minimal increase in costs associated with inspections.

Detailed Fiscal Analysis

Liability insurance or alternatives for family day-care homes

Under current law, type A and type B family day-care homes are not required to procure and maintain liability insurance. The bill requires that all type A and type B family day-care homes procure and maintain one of the following: (1) liability insurance, (2) a bond, or (3) a signed affidavit from parents acknowledging awareness that the home does not carry liability insurance or a bond. The bill requires that this proof be made available for review during inspection or investigation.

Currently, the Ohio Department of Job and Family Services (ODJFS) licenses type A homes, and is also responsible for conducting inspections and investigations of complaints of these homes. County departments of job and family services certify type B homes that provide publicly funded care and are responsible for the inspection and investigation of these homes.

Fiscal effect – The bill will require a review during the inspection process of the provider's insurance policy, bond, or family affidavits. As a result both the state and counties may experience a minimal increase in the time it takes to conduct inspections, which may slightly increase administrative costs. Currently, federal dollars from Fund 3H7 are used to pay for the inspection of family day-care homes. The state provides funding to the counties for certification of type B homes from this fund and the state uses this fund to pay its costs to license type A homes.

ODJFS may experience an additional minimal increase in administrative costs as a result of implementing these new requirements. The Department will likely create a procedure letter to educate counties and providers of the new requirements. These costs will likely be absorbed within existing resources.

LSC fiscal staff: Stephanie Suer, Budget Analyst

SB0210IN/lb