

# Fiscal Note & Local Impact Statement

127<sup>th</sup> General Assembly of Ohio

Ohio Legislative Service Commission  
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**BILL:** Sub. **S.B. 210** **DATE:** April 14, 2008

**STATUS:** As Reported by Senate Insurance, Commerce and Labor **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 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 2009	FY 2010	FUTURE YEARS
<b>Day Care Federal (Fund 3H7)</b>			
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 2009 is July 1, 2008 – June 30, 2009.

- The bill requires that type A family day-care homes, which are licensed by the state, procure and maintain liability insurance or a signed affidavit from parents acknowledging that the home does not carry liability insurance 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 and adopting rules.

## Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
<b>Counties</b>			
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 or a signed affidavit from parents acknowledging that the home does not carry liability insurance 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.

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## *Detailed Fiscal Analysis*

### *Liability insurance or signed affidavit from parents 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 liability insurance or a signed affidavit from parents acknowledging awareness that the home does not carry liability insurance. The bill requires that this proof be made available for review during inspection or investigation. The Director of ODJFS is required to adopt rules regarding the enforcement of these provisions.

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.

The bill will require a review during the inspection process of the provider's insurance policy 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 and adopting rules. 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.

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