

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 6537
BILL NUMBER: HB 1102

NOTE PREPARED: Feb 23, 2024
BILL AMENDED: Feb 22, 2024

SUBJECT: Child Care.

FIRST AUTHOR: Rep. Heine
FIRST SPONSOR: Sen. Walker G

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill revises the definition of "child care home". It limits the number of children under twelve months of age that may be provided care in a child care home. It provides that certain child care programs are exempt from licensure. It amends certain licensing requirements for a class II child care home and a child care center.

It provides that certain child care providers are eligible for voucher payments.

It allows certain child care programs at schools to provide services to business employees' children when the business enters into a contract with the school and certain conditions are met.

Effective Date: July 1, 2024.

Explanation of State Expenditures: *Class II Child Care:* If fewer Class II child care homes register with the Family and Social Services Administration (FSSA), the bill could reduce the administrative workload of the FSSA.

School-based Programs: The FSSA may have additional workload when inspecting school-based programs when more than one exemption applies. Any workload increase is expected to be minimal and within the existing appropriations, assuming near customary agency staffing and resource levels.

Eligible for Voucher Payments: This provision should have no fiscal impact on the FSSA. Currently, FSSA requires all unlicensed providers who accept CCDF to meet basic health and safety standards. This bill does not change that requirement.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill will have an indeterminate workload impact for the county Office of Family and Children, but it could potentially reduce the number of Class II child care homes that are subject to inspection. Any change in the number of inspections that must be performed would be reduced by a Class II child care home opting not to register with the FSSA.

Child care homes are subject to annual, unannounced inspections during normal business hours to verify checklist items.

Zoning Ordinance: To the extent that certain residential structures were not explicitly excluded from zoning prohibitions, the bill could potentially impact the workload of local units. The impact is expected to be minimal.

Explanation of Local Revenues:

State Agencies Affected: FSSA, Division of Family and Children.

Local Agencies Affected: County Office of Family and Children.

Information Sources: FSSA, Child Care Home Rules, <https://www.in.gov/fssa/carefinder/>.

Fiscal Analyst: Corrin Harvey, 317-234-9438; Karen Rossen, 317-234-2106.