



Senate Fiscal Agency  
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## BILL ANALYSIS



Telephone: (517) 373-5383  
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Senate Bill 180 (Substitute S-1 as reported)  
Senate Bill 181 (Substitute S-1 as reported)  
Senate Bill 182 (Substitute S-1 as reported)  
Senate Bill 183 (Substitute S-1 as reported)  
Sponsor: Senator Tonya Schuitmaker (S.B. 180 & 183)  
          Senator Dave Hildenbrand (S.B. 181)  
          Senator Hoon-Yung Hopgood (S.B. 182)  
Committee: Families, Seniors and Human Services

**CONTENT**

Senate Bills 180 (S-1), 181 (S-1), and 182 (S-1) would amend the child care licensing Act to revise various requirements concerning the regulation of child care organizations. The bills would establish a separate set of licensure and application requirements, including criminal history checks, for child care centers, family child care homes, and group child care homes. Senate Bill 183 (S-1) would amend the Code of Criminal Procedure to make changes to the sentencing guidelines to reflect revisions proposed by Senate Bills 180 (S-1) and 181(S-1).

Senate Bill 181 (S-1) would redefine "department" as the Department of Health and Human Services (DHHS) and the Department of Licensing and Regulatory Affairs (LARA) or a successor agency or department responsible for licensure under the Act. The DHHS would be responsible for child caring institutions, child placing agencies, children's therapeutic group homes, foster family homes, and foster family group homes, while LARA would oversee child care centers, family and group child care homes, children's camps, and children's campsites. (As used in the bills and in this summary, "Department" could mean the DHHS or LARA, depending on the type of facility licensed and regulated.)

Senate Bill 180 (S-1) would do the following:

- Revise requirements for criminal history checks of an applicant for licensure as a child care organization, foster family home, or foster family group home, and require the person to submit his or her fingerprints to the FBI as well as the Michigan Department of State Police (MSP).
- Revise requirements for licensees to report when they are arraigned for certain crimes, and extend the requirement to child care staff members.
- Establish new provisions, specifically applying to child care centers, group child care homes, and family child care homes, regarding criminal background checks of licensees, applicants for licensure, child care staff members, and members of a licensee's household.
- Prohibit a child care center, group child care home, or family child care home licensee, child care staff member, or adult member of the household from having contact with a child in the care of one of those facilities, until he or she was documented as not having been named as the perpetrator of child abuse or neglect in the DHHS's central registry.
- Provide that a person would be ineligible to be licensed as a child care center, group child care home, or family child care home or be a child care staff member or adult member of the household if he or she had certain criminal convictions, refused to consent to a criminal

history or central registry check, or made a false statement or omission in connection with those checks.

- Allow LARA to find a person who otherwise was ineligible to receive a license, be a member of the household, or be eligible to be a child care staff member, to be eligible, if the Department had previously reviewed and approved the person as a licensee or registrant, and he or she met other specified criteria.
- Define "member of the household".

Senate Bill 181 (S-1) would do the following:

- Specify that Section 5 of the Act, which deals with licensure of child care organizations, would not apply to a child care center, group child care home, or family child care home (which would be subject to a separate licensure and application process under Senate Bill 182 (S-1)).
- Revise provisions regarding license revocation, refusal, or denial.
- Allow the Department to obtain an injunction to restrain or prevent a person from continuing to violate the Act or rules promulgated under it, after informing the person.
- Allow the Department to obtain an injunction to restrain or prevent a person from acting in a manner that threatened the public health, safety, or welfare, or to compel a person to take corrective action, if the Department had conducted an investigation that disclosed an imminent threat.
- Specify that the Department would be entitled to actual costs and attorney fees if it were successful in obtaining an injunction.
- Extend from two to five years the period during which the Department may refuse a license, or prohibit a person from being connected with a licensee, after the revocation, denial, or refusal to renew a license.
- Revise provisions dealing with the evaluation and examination of child care organizations, and include inspection of the facilities in those provisions.
- Revise requirements for certain child care organizations regarding first aid and CPR certification, personal restraint restrictions, parental visits, and smoking prohibitions.
- Require an annual inspection of a child care organization to be unannounced unless the Department considered it necessary to schedule an appointment.
- Allow the temporary operation of a child care center, group child care home, or family child care home at an unlicensed location, in the case of a disaster, under certain circumstances.

Senate Bill 182 (S-1) would do the following:

- Enact a new section to regulate licensure and application for licensure as a child care center, family child care home, or group child care home.
- Prohibit a person from establishing or maintaining a child care center, group child care home, or family child care home unless licensed by LARA.
- Establish fees that LARA would be required to assess for original and renewal licensure as a child care center, family child care home, or group child care home.
- Revise provisions concerning the issuance of a provisional license to a child care organization.
- Authorize the Department to modify the license of a child care organization to a provisional license when the licensee violated the Act, rules, or the terms of the license.
- Revise provisions addressing the effectiveness and renewal of a license.
- Revise the information that must be included in a database of child care centers, family child care homes, and group child care homes, and require certain information in the database to be made available to people seeking information on child care options.

MCL 722. 115c et al. (S.B. 180)  
722.111 et al. (S.B. 181)

Legislative Analyst: Suzanne Lowe

## **FISCAL IMPACT**

The bills would have a negative fiscal impact on the Department of Licensing and Regulatory Affairs. Under the bills, child care license applicants would have to be fingerprinted and have a background check. These services would be provided by the Michigan State Police. Increased costs to LARA would arise from the administrative burden associated with processing these additional records. The fiscal year 2017-18 Governor's Recommendation for the LARA budget contains an additional 4.0 FTEs and \$800,000 in Federal funds (passed through from the Michigan Department of Education) to assist with processing fingerprints and background checks for the approximately 84,500 people currently in the child care industry. Going forward, as new people enter the field, LARA and the Department of Education would have to work out how these costs would be covered.

Senate Bill 180 (S-1) would have a moderate fiscal impact on the Department of State Police. The bill would require thousands of employees of child care organizations, as a condition of employment, to submit to a fingerprint criminal history check, which would be processed and analyzed by the MSP. Under current law, the cost of each fingerprint criminal history check, which includes a search of State and Federal fingerprint databases, is \$42 (\$30 State fee, \$12 Federal fee). Also under current law, a law enforcement agency or vendor that takes fingerprint impressions from an individual for submission to the MSP may charge a nominal fee for doing so (often \$15 or less, if anything). The cost of performing the background checks by the MSP would be wholly covered by the existing fee, and in fact the law requires that the fee not exceed the actual and reasonable cost of the MSP to conduct the check. Senate Bill 182 (S-1) would establish child care license fees in statute, but would not effectively change the fees currently charged for the licensure of various child care facilities, as these fees are already being charged.

There could be a slight fiscal cost to the Department of Health and Human Services if there were an increase in the cost of a criminal history check by the Michigan State Police or the Federal Bureau of Investigation for applications for licensing and regulatory matters for child caring institutions, child placing agencies, children's therapeutic group homes, foster family homes, and foster family group homes.

The proposed changes to Sections 5e and 5i (involving the required reporting of an employee or adult member of a household who has been arraigned for or convicted of listed offenses) are of a clarifying nature, so it is not known whether implementing the changes would result in more or fewer felony and misdemeanor arrests and convictions. The prohibition against intentionally making a false report regarding a child care organization would be revised so that it would be a crime only if the false report caused the Department of Health and Human Services to initiate a special investigation that the Department classified as high-risk. This change could lead to fewer individuals being charged with making a false report.

More misdemeanor and felony arrests and convictions could increase resource demands on law enforcement, court systems, community supervision, jails, and correctional facilities. The average cost to State government for felony probation supervision is approximately \$3,024 per probationer per year. For any increase in prison intakes, in the short term, the marginal cost to State government would be approximately \$3,764 per prisoner per year. Any associated increase in fine revenue would increase funding to public libraries. Conversely, fewer misdemeanor and felony arrests and convictions could reduce resource demands on law enforcement, court systems, community supervision, jails, and correctional facilities. Any associated decrease in fine revenue would reduce funding to public libraries.

The bills would have no fiscal impact on local units of government.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.