



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
 (803)734-0640 • RFA.SC.GOV/IMPACTS

Bill Number: H. 3767 As amended by House Ways and Means on April 20, 2016
Author: White
Subject: Childcare facilities
Requestor: House of Representatives
RFA Analyst(s): Kokolis and Fulmer
Impact Date: April 27, 2016

Estimate of Fiscal Impact

| | FY 2016-17 | FY 2017-18 |
|----------------------------------|-------------------|-------------------|
| State Expenditure | | |
| General Fund | \$4,443,161 | \$4,352,141 |
| Other and Federal | \$0 | \$0 |
| Full-Time Equivalent Position(s) | 74.00 | 0.00 |
| State Revenue | | |
| General Fund | Undetermined | \$0 |
| Other and Federal | \$0 | \$0 |
| Local Expenditure | \$0 | \$0 |
| Local Revenue | \$0 | \$0 |

Fiscal Impact Summary

This bill will increase General Fund expenditures by \$4,443,161 in FY 2016-17 and recurring General Fund expenditures by \$4,352,141 in FY 2017-18. There will be no expenditure impact on Federal Funds or Other Funds. Due to the uncertain number of additional licenses that may be issued by the Department of Social Services (DSS), the revenue impact is undetermined.

Explanation of Fiscal Impact

Explanation of Amendment by the House Ways and Means Committee on April 20, 2016

State Expenditure

This bill amends Sections 63-13-20(4) and 63-13-210 to update the definition of childcare facilities. Section 63-13-220 is amended to add that DSS will issue ABC Childcare Program vouchers to childcare providers only if the providers are licensed and registered with DSS. Section 63-13-230 is amended to allow an employee that is at least sixteen years old at an approved childcare facility to count as part of the staff/child ratio if they are continuously supervised by an approved employee. A volunteer employee may work in the facility but will not be counted as part of the staff/child ratio. This bill will also allow DSS to regulate summer camps, vacation bible schools, and school vacation or holiday day camps with sessions lasting two weeks per session.

Department of Social Services. The department indicates this bill will have a General Fund expenditure increase of \$4,443,161 in FY 2016-17 for 74 new FTEs for child care licensing, career development, abuse and neglect investigations, and legal staff. Of the \$4,352,141 in

recurring General Fund expenditures for FY 2016-17, \$3,325,137 is for personal services and employer contributions, and \$1,027,004 is for other operating expenses. This bill will also have a recurring General Fund expenditure impact of \$4,352,141 in FY 2017-18. There is no expenditure impact on Federal Funds or Other Funds.

State Revenue

This bill adds Section 63-16-470 to provide that a regular license issued by DSS to private childcare centers or group childcare homes is valid for two years from the date of issuance unless revoked by DSS or voluntarily surrendered. Further, after the private childcare center or group childcare home has been in business for two years, the renewal license is valid for three years from the date of issuance.

Based upon information obtained from DSS, the department currently charges a biennial license fee by type of facility, which is set in Proviso 38.7 of the FY 2015-16 Appropriations Act, which was also adopted by the House of Representatives and the Senate Finance Committee for FY 2016-17. Due to the uncertain number of additional licenses that may be issued, the revenue impact associated with this bill is undetermined.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director