

**ADMINISTRATIVE RULES – FISCAL ESTIMATE**

**1. Fiscal Estimate Version**

Original     Updated     Corrected

**2. Administrative Rule Chapter Title and Number**

HFS 45, 46, 55 Licensing Rules for Family Child Care Centers, Group Child Care Centers and Day Camps

**3. Subject**

To revise sections of HFS 45, 46 and 55 relating to family child care centers, group child care centers and day camps.

**4. State Fiscal Effect:**

<input checked="" type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No    May be possible to absorb within agency's budget.
		<input type="checkbox"/> Decrease Costs

**5. Fund Sources Affected:**

GPR     FED     PRO     PRS     SEG     SEG-S

**6. Affected Ch. 20, Stats. Appropriations:**

**7. Local Government Fiscal Effect:**

<input checked="" type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Revenues	<input type="checkbox"/> Increase Costs
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenues	<input type="checkbox"/> Decrease Costs

**8. Local Government Units Affected:**

Towns     Villages     Cities     Counties     School Districts     WTCS Districts     Others:

**9. Private Sector Fiscal Effect (small businesses only):**

<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Revenues	<input checked="" type="checkbox"/> Increase Costs
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No    May have significant economic impact on a substantial number of small businesses
	<input type="checkbox"/> Yes <input type="checkbox"/> No    May have significant economic impact on a substantial number of small businesses	<input type="checkbox"/> Decrease Costs

**10. Types of Small Businesses Affected:**

Child care centers and day camp

**11. Fiscal Analysis Summary**

The department does not expect to see additional costs associated with the proposed changes to HFS 45, 46 and 55. The department does expect that there will be some increased costs for each type of regulated program as outlined below.

Changes to HFS 45, Licensing Rules for Family Child Care Centers would require that all family child care centers using on-premise play space have a permanent boundary protecting the children from any nearby hazards. Typically these boundaries are fences. The department estimates that approximately 80% of currently licensed family child care providers (2,500 of 3,124 licensees) already have outdoor play space enclosed by a fence or other permanent boundary. Another 1 – 2 % of facilities have permission to use off premises play space that is

not required to be enclosed. The remaining 500-600 facilities currently utilize on-premises play space that is not enclosed. The licensing rules allow landscaping as a means to enclose outdoor play space as an alternative to putting up a fence. Depending on the type of material chosen to construct a fence, the department estimates the cost to start at \$300 and could go higher depending upon the type of enclosure selected by the licensee. This would be a one-time expense. Some centers may qualify for an exception to the rule requiring enclosures on outdoor play space due to other protections that could be put in place to adequately protect the children who are playing outside. These exceptions would be considered on a case by case basis.

Another change to HFS 45 would require a Registry certificate to document completion of entry level training requirements for all providers. The licensing rules would require a Registry certificate to be in place within 6 months of becoming licensed or starting to work at a family child care center. A Registry certificate indicates the level of education in early childhood attained by the person. Cost of a Registry certificate if applied for on-line is \$27. Standard mail-in applications cost \$42. Although Registry certificates can be updated annually for an additional cost, the rules require only a one-time certificate to be on file.

Reporting requirements for family child care centers have not increased appreciably with the proposed changes.

HFS 46 Licensing Rules for Group Child Care Centers would require directors in a group child care center to obtain additional credit-based education. The proposed changes would require a center director to obtain a Child Care Administrator Credential from a technical college or university within 3 years after the effective date of the rule. Currently, there are 2,491 licensed group child care centers that would be affected by this rule change. Directors of centers caring for 50 or fewer children – currently 1,538 centers – would need to obtain one 3-credit course in the Child Care Administrator Credential within 1 year after the effective date of the rule. Average cost for a 3-credit course at the technical colleges in Wisconsin is approximately \$300. Directors of larger centers – currently 953 centers – would need to obtain the full 18-credit Child Care Administrator Credential within 3 years of assuming the position of center director. The Wisconsin Technical College System estimates that the cost of obtaining this credential is \$2000 per credential including books and other materials.

Some providers may be able to limit the cost of obtaining this credential through a T.E.A.C.H. Early Childhood Scholarship. This scholarship program is administered through the Wisconsin Early Childhood Association under contract with the Department of Workforce Development, Child Care Section and is available to students enrolled in the Child Care Administrator Credential. The T.E.A.C.H. Early Childhood Scholarship covers 70% of tuition, 75% of books, a travel stipend, up to 15 hours of release time per semester and 75% of the credential fee. The center agrees to provide 20% of tuition, \$300 bonus when a contract is completed and up to an additional 15 hours of release time. The scholarship recipient provides 10% of tuition, 25% of the cost of books and 25% of the credential fee. In addition, the scholarship recipient agrees to remain in his/her current position at the center for a year. The T.E.A.C.H. Early Childhood Scholarship is funded by the Department of Workforce Development, Child Care Section through a contract with the Wisconsin Early Childhood Association. Scholarships are open to any person currently working at least 25 hours per week in a licensed or certified child care center.

Proposed rules require that all group child care centers using on-premise play space have a permanent boundary protecting the children from any nearby hazards. Typically these boundaries are fences. An additional 1 time only cost for a fence or other boundary will affect less than 2% of the licensed group child care centers. The majority of the group child care centers already have the requisite fencing or other boundary. School-age only programs are not required to have a fence or boundaries. The department estimates this cost to begin at \$300 and go upward depending on the type of fencing or boundary chosen by the licensee.

Reporting requirements for group child care centers have not increased appreciably with the proposed changes.

The proposed changes to HFS 55, Licensing Rules for Day Camps would require training in Child and Adult Cardiopulmonary Resuscitation (CPR) for all camp counselors, waterfront supervisors and camp directors. CPR training is readily available from a variety of sources at various prices. The rule requires a current certificate of completion. Some certificates are valid for a 2-year period while others are valid for 1 year. The department estimates that 50% of existing camps (38 of 76 camps) already require CPR training for employees. For the remaining 38 camps the cost of providing CPR training might range from approximately \$15 - \$30 per student depending on who provided the training. These costs could be annual or biennial depending on the type of course chosen.

Increases in reporting requirements for day camps have increased substantially. However the department believes that the additional reporting requirements are necessary to ensure that the health, safety and welfare of children are protected. In most cases, the reports can be made by phone with a follow-up written report that can be submitted electronically. There should be minimal increases to staff time to accommodate the increased reporting requirements

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**12. Long-Range Fiscal Implications**

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None known

13. Name - Prepared by Anne Carmody	Telephone Number 608-267-9761	Date
14. Name – OSF Analyst Reviewer Michael Pancook	Telephone Number 608-266-9364	Date 10/10/07
Signature – DHFS Secretary or Designee	Telephone Number	Date

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