

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4065 - A2

79th Oregon Legislative Assembly – 2018 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Krista Dauenhauer
Reviewed by: Doug Wilson, John Borden
Date: 2/21/2018**Measure Description:**

Prohibits child care providers from enrolling in Central Background Registry or providing child care for five years after denial for cause, revocation or voluntary surrender of certification or registration and for five years after denial for cause, removal or voluntary surrender of enrollment in Central Background Registry.

Government Unit(s) Affected:

Department of Justice (DOJ), Department of Education (ODE)

Summary of Expenditure Impact:

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

Summary of Revenue Impact to ODE: (Assuming April 1, 2018 Implementation)

Fund Type	2017-19 Biennium	2019-21 Biennium
Other Funds - Child Care Fund ORS 329A.010	-9,031	-14,450
Total Funds	-\$9,031	-\$14,450

Summary of Revenue Impact to the General Fund: (Assuming April 1, 2018 Implementation)

Fund Type	2017-19 Biennium	2019-21 Biennium
General Fund - diversion of existing penalties	9,031	14,450
General Fund - diversion of penalties from fee increase	63,259	101,214
Total Funds	\$72,290	\$115,664

Analysis:

The bill provides additional enforcement capacity to the Office of Child Care, within the Oregon Department of Education, and increases civil penalties for violations by child care facilities. An existing requirement is deleted from statute which obligated that a written warning must be issued for a violation before assessing a civil penalty. A child care facility's certification or registration/renewal application may be revoked or denied if the facility fails to pay a civil penalty after the order imposing the penalty becomes final.

As amended by the -A2 amendment, the bill would divert these civil penalties from the Child Care Fund to the General Fund. This would reduce existing ODE Other Funds (OF) projections by \$9,031 in the 2017-19 biennium and \$14,450 OF in the 2019-21 biennium. Existing civil penalty revenues, as well as additional revenues resulting from the fee increase, would increase the General Fund (GF) by an estimated \$72,290 in the 2017-19 biennium and \$115,664 GF in the 2019-21 biennium. The Legislative Fiscal Office notes that the revenue projections assume that childcare facilities rectify violations within one day of the penalty assessment, as the new civil penalties can be assessed on a daily basis.

The Office of Child Care reports that the additional enforcement capacity provided by this bill is anticipated to have no fiscal impact. The impact to Department of Justice, related to contested case proceedings, is anticipated to be minimal and absorbable within existing budgetary parameters. The table on the following page outlines the current civil penalty structure and estimated revenues based on the new maximum penalties.

Violation Description	Current Civil Penalty Structure			New Civil Penalty Structure		
	Maximum Penalty	Average Quantity Per Biennium	Average Revenue Per Biennium	Maximum Penalty	Estimated Quantity Per Biennium	Maximum Revenue Per Biennium
Violation of ORS 329A.330*	\$100					
ORS 329A.280 non-child care center	\$200					
ORS 329A.280 child care center	\$500	4	\$ 692	\$1,500	4	\$ 5,520
Registered Family Child Care Home	\$100	12	\$ 1,096	\$750	12	\$ 8,760
Certified Family Child Care Home	\$200	20	\$ 3,046	\$1,200	20	\$ 24,384
Certified Child Care Center	\$500	31	\$ 9,615	\$2,500	31	\$ 77,000
Total			\$ 14,450			\$ 115,664

*Current penalty restrictions which will be deleted under HB 4065-A2 include the following:

- First-time violations may not exceed \$100
- Subsequent violations may not exceed the previous violation by more than \$100, with a maximum of \$500 per violation or \$1,000 total for multiple.