

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

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**FISCAL IMPACT STATEMENT**

**LS 6537**

**BILL NUMBER:** HB 1102

**NOTE PREPARED:** Jan 25, 2024

**BILL AMENDED:** Jan 25, 2024

**SUBJECT:** Deregulation of Child Care.

**FIRST AUTHOR:** Rep. Heine

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill revises the definition of "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 also allows certain child care programs at schools to provide services to business employees' children when the business enters into a contract with the school.

**Effective Date:** July 1, 2024.

**Explanation of State Expenditures:** (Revised) *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.

(Revised) *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.

(Revised) *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:** (Revised) 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.

(Revised) *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/>.

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