



DEPARTMENT OF  
**PUBLIC HEALTH &  
HUMAN SERVICES**

# ECONOMIC IMPACT ANALYSIS

MAR NOTICE NO. 37-1044  
NEW RULES I THROUGH XCVI AND  
THE REPEAL OF ARM TITLE 37, CHAPTER 95  
PERTAINING TO LICENSURE OF DAY CARE FACILITIES

APRIL 22, 2024

EARLY CHILDHOOD AND FAMILY SUPPORT DIVISION  
MONTANA DEPARTMENT OF HEALTH AND HUMAN SERVICES

**Economic Impact Statement for Child Care Licensing MAR 37-1044**

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### Executive Summary

The proposed changes in this rules package are anticipated to increase the overall efficiency in child care licensing for providers, contractors, and state staff. In addition, the proposed rule changes allow the state to become compliant with federal Child Care Development Fund (CCDF) regulations. The state anticipates the new rules being cost neutral. The initial increase in costs associated with transitional support of implementing the new rules are projected to be offset by the increased efficiencies gained. Although the summary data indicates no fiscal impact for most providers in all but one of the subchapters, some providers anticipate costs incurred or cost savings for specific rules depending upon their circumstances. Overall, the Department sees the cost savings for some providers and costs to other providers as a net neutral impact. The Department will provide training and technical assistance to address implementation of the new rules at no cost to the providers. In addition, the state does not anticipate any increases to the regional contracts that support provider services as a result of changes proposed in this rule package. The rules will positively impact families and businesses that rely on quality child care in their communities through an anticipated increase in licensed and registered slots.

The cost of inaction is risking over \$39 million in federal Child Care Development Funds that support Best Beginnings Subsidy and the child care licensing program in Montana.

### Introduction

Child Care Licensing (CCL) rules are adopted through the administrative rulemaking process and administered by the Department of Public Health and Human Services (DPHHS). Current rules are found in Title 37, chapter 95. In October of 2023, the Department published notice that it intended to repeal the entirety of Title 37, chapter 95 of the Administrative Rules of Montana and replace the chapter with an updated and streamlined package of regulations relating to the licensure and registration of child care. The rulemaking was the culmination of two multiyear efforts undertaken by the Department:

Implementing Governor Gianforte's signature Red Tape Relief Initiative, the Department reviewed the existing child care rules to identify ways to expand access to safe, high-quality care for Montana families while reducing regulatory burden. The Department analyzed each child care rule to ensure it was necessary, easy to understand, and did not create undue burden on providers.

The Department engaged in a sustained, years-long process of outreach to, engagement of, and consultation with, stakeholders, members of the public, and members of the Children, Families, Health, and Human Services Interim Committee (Interim Committee). This outreach process engaged over 700 child care stakeholders across Montana: current providers; those wishing to become licensed or registered; parents; fire and environmental safety professionals; and public and community health experts. The feedback included 627 responses to surveys, 125 focus group attendees, and 27 interviews.

As a result of these initiatives, the Department recognized the existing rules are confusing, poorly arranged, discourage new entrants into the child care provider market, and were ultimately the result of years of layered administrative rule changes that did not consider the regulatory framework at large. To address these issues, the Department chose to propose a repeal of all existing rules and undertake a comprehensive, total revision and reorganization of these rules. In addition to making the rules more user-friendly, the proposed rule package:

- Proposes graduated licensing or registration requirements that are tailored to the location in which child care is provided and the number of children in care;

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- Reflects that each provider is unique, allowing eligible providers to apply for waivers of licensing or registration standards;
- Includes a new license category for school-age care (out-of-school-time) providers that considers the unique needs of serving school-age children;
- Removes requirements for duplicative inspections (i.e., if a facility has already been inspected by fire safety and public health officials, child care licensing will not require additional inspections);
- Incorporates legislative updates from the 2021 and 2023 sessions including updates to child-to-staff ratios, increasing the number of children in care without needing to be licensed or registered, and offering military licensing reciprocity;
- Aligns child care licensing and registration requirements with federal Child Care Development Fund (CCDF) requirements; and
- Results in an approximate 20% reduction in content.

These licensing and registration standards are used by child care centers; group home; family home; family, friend and neighbor (FFN) and relative care exempt (RCE) providers to ensure health and safety standards are provided which align to federal Child Care Development Fund (CCDF) requirements, Montana Code Annotated (MCA), and best practices in the early care and education field. These licensing and registration rules are used by licensing staff at the Department to issue and renew licenses and registrations for those providers who:

- 1) Serve six or more children in regular care,
- 2) Serve fewer than six children and choose to be licensed/registered,
- 3) Serve children receiving Best Beginnings Subsidy, or
- 4) Choose to be licensed/registered.

These standards describe what is required to be licensed or registered in the state of Montana.

This economic impact statement analyzes the impact of the proposed revisions to Child Care Licensing as prescribed in [2-4-405, MCA](#). The proposed child care licensing rules have been reorganized for clarity and are broken into 11 subchapters: 1) General, 2) Program Activities, 3) Administrative, 4) Safety and Facilities, 5) Medical Health, 6) Environmental Health, 7) Nutrition and Food Service, 8) Immunizations, 9) Staff Qualifications and Training, 10) Background Checks, and 11) Enforcement.

### Affected Classes of Persons

*Describe the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule. Refer to § 2-4- 405(2)(a), MCA.*

The classes who will be affected by the proposed rules are those persons who are responsible for implementing the child care rules at the local and state levels. The affected classes include child care business owners, directors and staff, state and local officials that inspect child care facilities, parents, children, businesses, and taxpayers.

The beneficiaries of the proposed rule are children and families receiving services, and the providers who care for those children. Further, there is a larger benefit to the businesses within the communities where these providers serve children as current data from the Montana Department of Labor indicates over

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66,000 parents in Montana are unable to fully engage in the workforce due to child care shortages.

To benefit children and families, it is important to implement health and safety requirements that are based on current knowledge and understanding of best practices and state and federal requirements.

The proposed rules add required health and safety standards including the following areas of possible non-compliance identified by the federal Department of Health and Human Services (HHS), Administration for Children and Families (ACF) Office of Child Care's (OCC's) July 2023 monitoring visit.

- Prevention/Response to Emergencies due to Food and Allergic Reactions in accordance with 45 CFR § 98.41(a)(1)(iv). The Lead Agency does not have requirements in place for the prevention of and response to emergencies due to food and allergic reactions for CCDF license-exempt FFN providers.
- Shaken Baby Syndrome, Abusive Head Trauma, and Child Maltreatment requirement in accordance with 45 CFR § 98.41(a)(1)(vi). The Lead Agency does not have requirements in place for the prevention of shaken baby syndrome and abusive head trauma for FFN providers.

New Rule XXI addresses both possible non-compliance points to help ensure Montana remains eligible for nearly \$39,000,000 in federal funds needed to support healthy and safe child care options in Montana.

Further benefits of the revised rules relate to the structure of the proposed rules. Feedback from over 700 providers, parents, local officials, and community members in 2021 stated the current rule organization has been a layering of new rules and requirements over a 30-year period, resulting in the current rules being difficult to navigate. For example, rules related to fire safety are currently found in five sections of the rule. As a result, these new proposed rules are reorganized into sections that make them easy to navigate. The sections are as follows: 1) General, 2) Program Activities, 3) Administrative, 4) Safety and Facilities, 5) Medical Health, 6) Environmental Health, 7) Nutrition and Food Service, 8) Immunizations, 9) Staff Qualifications and Training, 10) Background Checks, and 11) Enforcement.

It is important to note that through the reorganization and streamlining of the proposed rules, content was cut by almost 20% and sections are more clearly delineated so specific facility types can easily find the requirements that apply to the size and nature of their facility. This will positively impact business owners and licensing staff in that regulatory requirements will be easier to find, understand, and follow, leading to consistent interpretation and implementation.

This rules package will have an impact on currently unlicensed providers who provide care to school-age children such as Boys and Girls Clubs and YMCAs. Current rules do not have a licensing category specifically for school-age care, and this new package will allow for age-appropriate licensing category for these providers. Current licensing options are not a good fit for school-age care as school-age children need shorter periods of care; can be in a setting with higher child-to-staff ratios; and all-day child care programming, usually designed for younger children, may not be age-appropriate for school-age children. As a result of this proposed licensing category, families eligible for Best Beginnings Scholarships will be able to access quality care in this new licensing category.

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Workforce shortages in the child care industry have been an ongoing challenge, and these new rules would allow facilities flexibility in hiring 16-year-olds for certain child care roles. Currently the minimum age for all child care providers, regardless of role, is 18. In addition to helping alleviate staffing shortages, young people can gain real life experience with gainful employment and explore future careers.

The costs of the proposed rules will be borne by local providers, state and local officials, and the Department. To support the implementation of the proposed rules, the Department is in the process of reprocurring regional service contracts to: 1) support families seeking child care services, 2) support the providers during the implementation of the proposed child care rules and to provide ongoing technical assistance, and 3) assist new providers with business support.

Further, the Department is currently procuring a new data system for providers and licensors to use. This data system should more efficiently implement child care inspections, document training and quality initiatives, and streamline payment processes.

The new proposed rule package also delineates the role of the Department in providing technical assistance and support to providers, and New Rule LXXXVIII would allow for progressive enforcement to proactively support providers with identified deficiencies, helping them come into compliance with requirements in a more proactive approach.

### Economic Impact

*Describe the probable economic impact of the proposed rule upon affected classes of persons, including but not limited to providers of services under contracts with the state and affected small businesses, and quantifying, to the extent practicable, that impact. Refer to § 2-4-405(2)(b), MCA.*

### Cost to Providers

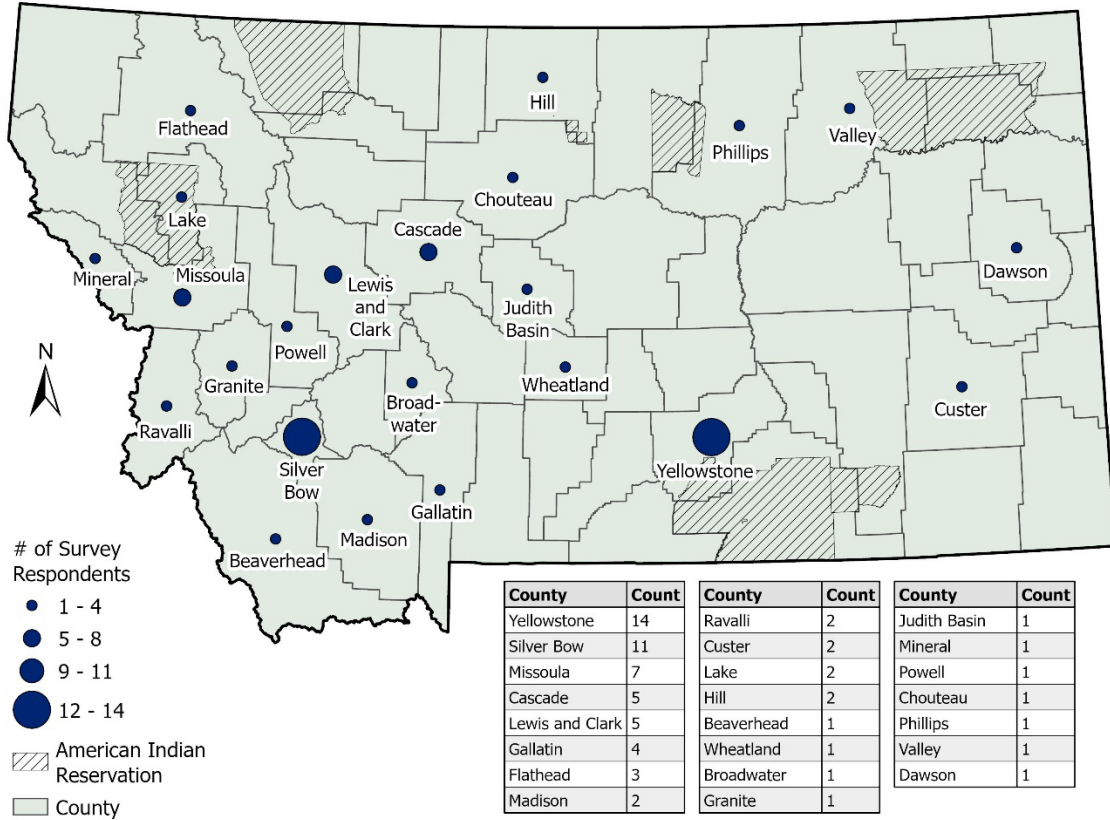
Between February 27 and March 11, 2024, the Department conducted a survey of child care providers and local inspecting officials to assess the impacts of the proposed rule changes. The survey link was disseminated to partner organizations including the Montana Association of Counties (MACO) to be sent to building and health inspectors, Child Care Resource and Referral (CCR&R) agencies, Zero to Five, Raise Montana, Montana Afterschool Alliance, Confluence Public Health Alliance, Montana Head Start Association, and 1159 directors and owners of licensed child care centers and registered family and group providers.

The respondents reported they were associated with the following: Child Care Centers (31 respondents), Group Home Providers (22), Family Home Providers (11), Family, Friend, or Neighbor Provider Types (FFN) (6), Relative Care Exempt (RCE) Providers (1), and local officials who work with providers including county public health staff (7).

A total of 79 responses were received, of which 70 reported their county. Twenty-three counties were represented with the map below showing the distribution of responses by county. Detailed analysis of data by subchapter, including respondent comments, may be found in Attachment A. The full survey may be found in Attachment B.

A summary of fiscal results by subchapter, provider type, and financial impact may be found on pages 7-13.

**Economic Impact Survey Respondents by County**



*Note: Out of 79 survey respondents, only 70 reported their respective counties.*

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<b>General</b>									
<b>Rule: Option to propose an innovative pilot to meet the needs of a community</b>									
	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
	\$0	\$1-\$1000	\$1001-\$5000	\$5001-\$10000	Other	\$1-\$1000	\$1001-\$1500	\$1501-\$2000	Other
Works with Child Care Providers	4	1				1	1		1
Child Care Center	24		2		3		1	1	
Family Home Provider	7	2				1	1	1	
Family, Friend, or Neighbor (FFN)	4	1				1			
Group Home Provider	16	2		1	1	2		2	
Relative Care Exempt (RCE) Provider	1								
<b>Total</b>	<b>56</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>1</b>
<b>Rule: Option to add out-of-school-time childcare program licensing path</b>									
	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
	\$0	\$1-\$1000	\$1001-\$5000	\$5001-\$10000	Other	\$1-\$1000	\$1001-\$1500	\$1501-\$2000	Other
Works with Child Care Providers	6	1				1			
Child Care Center	22		3	1	2	2			3
Family Home Provider	6	3				2		1	
Family, Friend, or Neighbor (FFN)	4	1				1			
Group Home Provider	17	3			2	1	3		1
Relative Care Exempt (RCE) Provider	1				1				
<b>Total</b>	<b>56</b>	<b>8</b>	<b>3</b>	<b>1</b>	<b>5</b>	<b>7</b>	<b>3</b>	<b>1</b>	<b>4</b>
<b>Program Activity</b>									
<b>In the Subchapter "Program Activities," are there rule changes that will financially impact you?</b>									
	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
	\$0	\$1-\$1000	\$1001-\$5000	\$5001-\$10000	Other	\$1-\$1000	\$1001-\$1500	\$1501-\$2000	Other
Works with Child Care Providers	5	1				1			



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Child Care Center	22	1	1		1	2			1
Family Home Provider	7	1			1			1	
Family, Friend, or Neighbor (FFN)	4		1			1			
Group Home Provider	13	2	1		2	1	4	1	
Relative Care Exempt (RCE) Provider	1								
<b>Total</b>	<b>52</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>2</b>	

**Administration**

**Rule: Remove requirement to track staff immunization records**

	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
		\$0	\$1-\$1000	\$1001-\$5000	\$5001-\$10000	Other	\$1-\$1000	\$1001-\$1500	\$1501-\$2000
Works with Child Care Providers	4					1			
Child Care Center	17	5	3	1	2	3		1	2
Family Home Provider	8	2				1	1		
Family, Friend, or Neighbor (FFN)	4	1				1			
Group Home Provider	12	7	1			4		2	
Relative Care Exempt (RCE) Provider	2								
<b>Total</b>	<b>47</b>	<b>15</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>10</b>	<b>1</b>	<b>3</b>	<b>2</b>

**In the Subchapter "Administrative," are there rule changes that will financially impact you?**

	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
		\$0	\$1-\$1000	\$1001-\$5000	\$5001-\$10000	Other	\$1-\$1000	\$1001-\$1500	\$1501-\$2000
Works with Child Care Providers	4	1				1			
Child Care Center	20	2			2	1	1		1
Family Home Provider	7	2						1	
Family, Friend, or Neighbor (FFN)	4	2				1			
Group Home Provider	15	1			1	2		1	
Relative Care Exempt (RCE) Provider	1								
<b>Total</b>	<b>51</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>1</b>

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<b>Safety &amp; Facilities</b>									
Rule: Streamlining building inspections									
	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
	\$0	\$1- \$1000	\$1001 - \$5000	\$5001 - \$10000	Other	\$1- \$1000	\$1001- \$1500	\$1501- \$2000	Other
Works with Child Care Providers	4	1				1			
Child Care Center	21	2	1		2	2			1
Family Home Provider	9	1						1	
Family, Friend, or Neighbor (FFN)	4	1						1	
Group Home Provider	14	5	1			2	2	1	
Relative Care Exempt (RCE) Provider	2								
<b>Total</b>	54	10	2	0	2	5	2	3	1
In the Subchapter "Safety & Facilities," are there rule changes that will financially impact you?									
	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
	\$0	\$1- \$1000	\$1001 - \$5000	\$5001 - \$10000	Other	\$1- \$1000	\$1001- \$1500	\$1501- \$2000	Other
Works with Child Care Providers	4	1				1			
Child Care Center	19	1	2		1	2	1		1
Family Home Provider	8	1						1	
Family, Friend, or Neighbor (FFN)	4	1					1		
Group Home Provider	15	2	1			2	1		
Relative Care Exempt (RCE) Provider	2								
<b>Total</b>	52	6	3	0	1	5	3	1	1
<b>Medical Health</b>									
Rule: Reduction in building inspections									
	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
	\$0	\$1- \$1000	\$1001 - \$5000	\$5001 - \$10000	Other	\$1- \$1000	\$1001- \$1500	\$1501- \$2000	Other
Works with Child Care Providers	4	1				1			
Child Care Center	23	1	1		2	3			1

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Family Home Provider	6	2			1			1	1
Family, Friend, or Neighbor (FFN)	4	1					1		
Group Home Provider	17	2				1		1	
Relative Care Exempt (RCE) Provider	2								
<b>Total</b>	<b>56</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>2</b>

**In the Subchapter “Medical Health,” are there other rule changes that will financially impact you?**

	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
		\$0	\$1-\$1000	\$1001-\$5000	\$5001-\$10000	Other	\$1-\$1000	\$1001-\$1500	\$1501-\$2000
Works with Child Care Providers	4	1				1			
Child Care Center	17	1			1	2			1
Family Home Provider	8	1	1					2	
Family, Friend, or Neighbor (FFN)	4	1				1			
Group Home Provider	17					1			
Relative Care Exempt (RCE) Provider	2								
<b>Total</b>	<b>52</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>1</b>

**Environmental Health**

**In the Subchapter “Environmental Health,” are there rule changes that will financially impact you?**

	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
		\$0	\$1-\$1000	\$1001-\$5000	\$5001-\$10000	Other	\$1-\$1000	\$1001-\$1500	\$1501-\$2000
Works with Child Care Providers	4	1				1			
Child Care Center	21	1			2	1	1		1
Family Home Provider	8	1			1			1	1
Family, Friend, or Neighbor (FFN)	4	1				1	1		
Group Home Provider	12	3	1		1	3	1	1	
Relative Care Exempt (RCE) Provider	2								
<b>Total</b>	<b>51</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>2</b>

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<b>Immunizations</b>									
<b>Rule: Requirement to accept a medical or religious exemption for children at Child Care Centers</b>									
	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
	\$0	\$1- \$1000	\$1001 - \$5000	\$5001 - \$10000	Other	\$1- \$1000	\$1001- \$1500	\$1501- \$2000	Other
Works with Child Care Providers		1				1		1	
Child Care Center	9	2		2	7	1	2	2	4
Family Home Provider	4	1	1				1	1	
Family, Friend, or Neighbor (FFN)		1				1			
Group Home Provider	7			1	1			1	
Relative Care Exempt (RCE) Provider									
<b>Total</b>	20	5	1	3	8	3	3	5	4
<b>Rule: Requirement to accept a medical or religious exemption for children at home-based facilities</b>									
	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
	\$0	\$1- \$1000	\$1001 - \$5000	\$5001 - \$10000	Other	\$1- \$1000	\$1001- \$1500	\$1501- \$2000	Other
Works with Child Care Providers					1			1	
Child Care Center	5					1		1	
Family Home Provider	4	2			1		1	2	
Family, Friend, or Neighbor (FFN)		1				1			
Group Home Provider	9	1		3	3	1		4	2
Relative Care Exempt (RCE) Provider									
<b>Total</b>	18	4	0	3	5	3	1	8	2
<b>Staff Qualifications</b>									
<b>Rule: Option to employ 16-year-old</b>									
	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
	\$0	\$1- \$1000	\$1001 - \$5000	\$5001 - \$10000	Other	\$1- \$1000	\$1001- \$1500	\$1501- \$2000	Other
Works with Child Care Providers	3	1				2			
Child Care Center	19	1	2	3	1	4			

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Family Home Provider	8	1	1					2	
Family, Friend, or Neighbor (FFN)	4	1				1			
Group Home Provider	11	4	3	2	1	3	1	1	1
Relative Care Exempt (RCE) Provider	1		1						
<b>Total</b>	<b>46</b>	<b>8</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>10</b>	<b>1</b>	<b>3</b>	<b>1</b>

**Rule: The impact of staff qualification revisions overall**

	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
		\$0	\$1-\$1000	\$1001-\$5000	\$5001-\$10000	Other	\$1-\$1000	\$1001-\$1500	\$1501-\$2000
Works with Child Care Providers	3	1				1		1	
Child Care Center	18	2		2		1	1	1	
Family Home Provider	7	2	1			1		2	
Family, Friend, or Neighbor (FFN)	4	1				1			
Group Home Provider	13		3	1	2	3		2	
Relative Care Exempt (RCE) Provider	1		1						
<b>Total</b>	<b>46</b>	<b>6</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>7</b>	<b>1</b>	<b>6</b>	<b>0</b>

**Background Checks**

**In the Subchapter "Background Checks," are there rule changes that will financially impact you?**

	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
		\$0	\$1-\$1000	\$1001-\$5000	\$5001-\$10000	Other	\$1-\$1000	\$1001-\$1500	\$1501-\$2000
Works with Child Care Providers	4	1				1			
Child Care Center	20	2			1	2		2	
Family Home Provider	8	2				1		1	
Family, Friend, or Neighbor (FFN)	4	1				1			
Group Home Provider	16	1	1		1	2			
Relative Care Exempt (RCE) Provider	2								
<b>Total</b>	<b>54</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>7</b>	<b>0</b>	<b>3</b>	<b>0</b>

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<b>Enforcement</b>									
In the Subchapter "Enforcement," are there rule changes that will financially impact you?									
	No Fiscal Impact	Fiscal Savings				Fiscal Losses			
	\$0	\$1-\$1000	\$1001-\$5000	\$5001-\$10000	Other	\$1-\$1000	\$1001-\$1500	\$1501-\$2000	Other
Works with Child Care Providers	4	1				1			
Child Care Center	22	1				2			
Family Home Provider	8	2				1		1	
Family, Friend, or Neighbor (FFN)	4	1				1			
Group Home Provider	17		1						
Relative Care Exempt (RCE) Provider	2								
<b>Total</b>	<b>57</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>0</b>

In summary, the Department has determined the proposed rules to be cost neutral to providers as more than 50% of respondents indicated the rules would not have an economic impact in 10 of the 11 subchapters. There were varying responses to the subchapter on immunization from providers. The Individual entities indicated the rules in each subchapter could cost or save them money depending upon their specific circumstances. The Department projects from most categories the costs are offset by savings with some categories savings are in excess. Therefore, the Department assumes the rules to be cost neutral for providers.

The Department received varied responses from a small group of local officials working with child care providers. The majority of respondents reported either no fiscal impact or cost savings in all subchapters, except immunization. Only three responded to the question on medical and religious exemptions with one reporting cost savings and two reporting fiscal loss with a net loss of \$1,501 - \$2,000.

The Department does not anticipate that contracted service providers will be affected by the proposed rules as new service contracts are being procured with a start date of 10/1/2024.

**Cost to State Agencies**

*Describe and estimate the probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenue. Refer to § 2-4-405(2)(c), MCA.*

The Department, has incurred costs associated with the rulemaking process, including approximately \$250,000 of a larger service delivery contract with Bloom Consulting to assist with the outreach,

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surveys, focus groups, cross walking child care licensing rules with other regulatory rules and laws including fire codes, immunization requirements, and public health rules, and document development. The Department also pays for rule filings and publication of notices with the Secretary of State. The new rules will be incorporated into the Department's licensing unit within the existing Child Care Development Fund budget and staffing.

Implementation, training, and policy documents that must be created to implement the new rules, and these will be created through existing staff paid with CCDF funds. New contracts for provider services are being procured beginning 10/1/24 and these contract dollar amounts will remain consistent with current contract amounts totaling approximately \$3.5 million annually.

Enforcement of child care licensing regulations should decrease as there is less redundancy and more clarity to the requirements. Further, some of the current rules that result in negative licensing action (i.e., menus needing to be reviewed at child care centers) will be removed, reducing licensor time to process violations. The innovation section will increase licensor time initially to review and make determination of proposed rule variances, but once in place these waivers will remove some potential negative licensing actions, resulting in longer term time savings for licensing staff.

The agency anticipates a licensing technician's time will decrease by approximately 10% per facility due to streamlined rules on staff qualifications, reduced documentation requirements, and increased staffing flexibility. It is anticipated that the new out-of-school licensing category may slightly increase technicians' caseloads. However, the proposed rules will reduce the time needed to process each license. The Department predicts the adoption of the proposed rules, even with the creation of a new license category, will not create additional administrative burden on Department employees or wait time for facilities.

The agency predicts there will be fewer contested cases as a result of streamlined processes. The Department processes an average of 12 cases per year and anticipates a 50% reduction in these cases as a result of streamlined rules. Each case can take from 4 hours up to 80 hours of staff time, including program and fiscal staff if the case goes to a formal hearing.

The Department anticipates that streamlining rules will increase efficiencies and increase consistent interpretation and enforcement. The new tiered enforcement will decrease licensing deficiencies, thus decreasing licensor time conducting following up. Instead, their focus can be on preventative technical assistance through individual support plans. If licensors and child care providers are better able to understand and implement rules, we anticipate this will decrease complaints and inconsistencies with rule enforcement.

### Cost and Benefits of the Proposed Rule

*Analyze and compare the costs and benefits of the proposed rule to the costs and benefits of inaction. Refer to § 2-4-405(2)(d), MCA.*

The majority of costs associated with the proposed rules will be in training and technical assistance for providers to ensure these new rules have been incorporated into the child care businesses. The implementation of this training and technical assistance is cost neutral to the state as the contracted technical assistance and existing staff currently supporting providers will also support the

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implementation of the new rules. Currently Montana annually spends approximately \$1,000,000 for licensing staff salary and travel, and \$3,500,000 in contracted provider services.

**Continued regulatory inaction is a risk to Montana's receipt of CCDF block grant funds. Annually Montana receives approximately \$39,000,000 in federal funds to support child care. Federal rules require certain health and safety standards to be in place as a condition of receiving these funds. Implementation of the new rules package ensures Montana's compliance with the federal rules. Failure to update and adopt a comprehensive set of child care licensing rules can put these funds in jeopardy.**

The proposed rules add required health and safety standards that were identified as possible areas of non-compliance during the federal Department of Health and Human Services (HHS), Administration for Children and Families (ACF) Office of Child Care's (OCC's) July 2023 monitoring visit.

- Prevention/Response to Emergencies due to Food and Allergic Reactions in accordance with 45 CFR § 98.41(a)(1)(iv). The Lead Agency does not have requirements in place for the prevention of and response to emergencies due to food and allergic reactions for CCDF license-exempt FFN providers.
- Shaken Baby Syndrome, Abusive Head Trauma, and Child Maltreatment requirement in accordance with 45 CFR § 98.41(a)(1)(vi). The Lead Agency does not have requirements in place for the prevention of shaken baby syndrome and abusive head trauma for FFN providers.

New Rule XXI addresses both possible non-compliance points to help ensure Montana remains eligible for nearly \$39,000,000 in federal funds needed to support healthy and safe child care options in Montana.

The new rules provide for more flexibility than current rules, which should allow for reduced provider costs. If businesses determine that updated or additional materials including such things as appropriate educational materials or safety equipment are needed to implement the revised rules, the cost of these materials will be borne by the provider.

### **Professional Development:**

The Department anticipates that at least one owner or director at each business will need to be trained on the rules. A common practice is to send one or two staff to training; these staff members are then responsible for sharing information and resources with their colleagues as necessary to implement the proposed new rules. The lead teachers or other identified employee will need approximately three hours of professional development time to learn about the new rules, with continued support through their CCRR and licensing staff as needed.

### **Less Costly or Less Intrusive Methods**

*Are there less costly or less intrusive methods for achieving the purpose of the proposed rule? Refer to § 2-4-405(2)(e), MCA.*

§ 52-2-704(2)(f), MCA, specifically grants the Department rulemaking authority for all day-care facilities. Since the Legislature specifically gave the Department rulemaking authority, the Department promulgating said rules appears in line with what the Legislature intended. Rules cannot be updated



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without a formal rulemaking process.

The proposed rules reflect a set of best practices that establish a minimum level of quality for all providers to meet. While there are provider costs associated with the implementation of these rules, the Department, through licensing staff and provider support contracts, will offer and coordinate professional development opportunities in a manner to reduce the burden of implementation to providers.

The proposed rule package includes a full Statement of Reasonable Necessity for each rule within the package.

### Selection of Proposed Rule

*Analyze any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule. Refer to § 2-4-405(2)(f), MCA.*

The Department considered, and attempted by way of MAR Nos. 37-994 and 37-1020, implementing discreet changes, many of which were necessary to enact statutory changes from the 2021 Legislative session, to the current child care regulations. During this process, it became clear that a wholesale, total re-do was needed to best address the duplication and disjointedness present in the current rules. Piecemeal rule revisions would only serve to exacerbate the unwieldiness of present rules. For these reasons, and other reasons described in the introduction of this statement, the Department rejected continued, fragmented rule revision in favor of the proposed holistic revision.

### Efficient Allocation of Public and Private Resources

*Does the proposed rule represent an efficient allocation of public and private resources? Refer to § 2-4-405(2)(g), MCA.*

Yes, the proposed rules will apply to all centers and in-home providers seeking licensure or registration when providing regular care to six or more children in alignment with state statute. These rules comply with federal CCDF rules and allow the Department to continue administration of the Best Beginnings Child Care Subsidy program, ensuring approximately \$39,000,000 is spent annually for child care programs in Montana.

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### Data Gathering and Analysis

*Quantify or describe the data upon which the economic impact statement was based and an explanation of how the data was gathered. Refer to §2-4-405(2)(h), MCA.*

The Department conducted a survey of childcare providers and local inspecting officials to assess the impacts of the proposed rule between February 27 and March 11, 2024. A total of 79 responses were received. Of the 79 respondents 70 reported their county. A total of 23 counties were represented with the largest number of survey respondents located in Yellowstone (14), Silver Bow (11), Missoula (7), Cascade (5), Lewis and Clark (5) and Gallatin (4) Counties. The respondents reported they were associated with the following: Child Care Centers (31 respondents), Group Home Providers (22), Family Home Providers (11), Family, Friend, or Neighbor Provider Types (FFN) (6), Relative Care Exempt (RCE) Providers (1), and local officials who work with providers (7) such as county public health staff.

On March 6, 2024, Raise Montana and Zero to Five Montana held an evening session for interested providers to learn more about the proposed rules and to help answer questions on the survey tool. The ECFS administrator and Child Care Licensing Bureau Chief were present to answer questions. The proposed rules were linked to the survey tool, so respondents could reference the rules during the survey administration. There were 182 participants registered for the session with 123 verified attendees.

### Applicable Statute (Relevant Excerpt)

**2-4-405. Economic impact statement.** (1) Subject to 2-4-112, on written request of the appropriate administrative rule review committee based upon the affirmative request of a majority of the members of the committee at an open meeting, an agency shall prepare a statement of the economic impact of the adoption, amendment, or repeal of a rule as proposed. The agency shall also prepare a statement upon receipt by the agency or the committee of a written request for a statement made by at least 15 legislators. If the request is received by the committee, the committee shall give the agency a copy of the request, and if the request is received by the agency, the agency shall give the committee a copy of the request. As an alternative, the committee may, by contract, prepare the estimate.

- (2) Except to the extent that the request expressly waives any one or more of the following, the requested statement must include and the statement prepared by the committee may include:
- (a) a description of the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule;
  - (b) a description of the probable economic impact of the proposed rule upon affected classes of persons, including but not limited to providers of services under contracts with the state and affected small businesses, and quantifying, to the extent practicable, that impact;
  - (c) the probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenue;
  - (d) an analysis comparing the costs and benefits of the proposed rule to the costs and benefits of inaction;
  - (e) an analysis that determines whether there are less costly or less intrusive methods for achieving the purpose of the proposed rule;
  - (f) an analysis of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule;
  - (g) a determination as to whether the proposed rule represents an efficient allocation of public and private resources; and
  - (h) a quantification or description of the data upon which subsections (2)(a) through (2)(g) are based and an explanation of how the data was gathered.

## Attachment A

### **General**

***Questions 8, 9, 10 apply to the option to propose innovative pilot projects to meet the needs of a community under a provisional license: How would the revised rules (in Proposed Notice 37-1044) impact you when applied to an innovative pilot? How much money will the rules save you? How much money will the rules cost you?***

79% (56 of 71) of respondents predicted that the option to propose an innovative pilot to meet the needs of their community would have no financial impact, eight predicted that the rule would save them money, and six expected costs. Of those who thought the new rules may cost them money, the majority (5 of 11) thought the new rules would cost them less than \$1,000. For those who thought the new rules would save them money, (8 of 19) estimated the savings would be less than \$1,000.

<b>Rule: Option to propose an innovative pilot to meet the needs of a Community</b>	
<b>Works with childcare providers</b>	<b>6</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	2
(blank)	
<b>Child Care Center</b>	<b>28</b>
Cost you money	2
<b>No fiscal impact</b>	<b>24</b>
Save you money	2
(blank)	
<b>Family home provider</b>	<b>9</b>
Cost you money	1
<b>No fiscal impact</b>	<b>7</b>
Save you money	1
(blank)	
<b>Family, Friend, or Neighbor (FFN)</b>	<b>5</b>
Cost you money	1
<b>No fiscal impact</b>	<b>4</b>
(blank)	
<b>Group home provider</b>	<b>21</b>
Cost you money	2
<b>No fiscal impact</b>	<b>16</b>
Save you money	3
(blank)	
<b>Relative Care Exempt (RCE) Provider</b>	<b>1</b>
No fiscal impact	1
<i>Source: DPHHS Economic Impact Analysis Survey, 2024</i>	

**Questions 11, 12, 13 asked about the option for school-age licensing type: How would the revised rules impact you? How much money will the rules save you? How much money will the rules cost you?**

75% (55 of 73) of individuals expected that the option for a school age licensing path would have no financial impact on them. For those who anticipated a financial impact, half (9) thought the revised rule would save them money and half (9) thought it would cost them. Seventeen people selected an estimated savings: eight selected \$1 to \$1,000, four selected \$1001-\$2000, and five selected “other”. Fifteen people chose to estimate the potential cost: seven selected \$1 to \$1,000, four selected between \$1001-\$2000, and four selected “other.”

<b>Rule: Option to add out-of-school-time childcare program licensing path</b>	
<b>Works with childcare providers</b>	<b>6</b>
<b>No fiscal impact</b>	<b>5</b>
Save you money	1
(blank)	
<b>Child Care Center</b>	<b>29</b>
Cost you money	3
<b>No fiscal impact</b>	<b>22</b>
Save you money	4
(blank)	
<b>Family home provider</b>	<b>9</b>
Cost you money	2
<b>No fiscal impact</b>	<b>6</b>
Save you money	1
(blank)	
<b>Family, Friend, or Neighbor (FFN)</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Group home provider</b>	<b>22</b>
Cost you money	4
<b>No fiscal impact</b>	<b>17</b>
Save you money	1
<b>Relative Care Exempt (RCE) Provider</b>	<b>1</b>
<b>No fiscal impact</b>	<b>1</b>
<i>Source: DPHHS Economic Impact Analysis Survey, 2024</i>	

**Quotes from Directors:**

*“The proposed rule will help our afterschool and summer programs be more affordable and allow us to reach out to low-income families who are eligible for Best Beginnings Scholarships. Our mission is to serve the children who need us most and that is financially impossible for low-income families. We fundraise over \$150,000 a year and still some families cannot pay our fees without help.”*

*“We are a Boys & Girls Clubs serving about 375 elementary age children who would fall under the proposed licensure requirements. If there is funding available through Best Beginnings to support our entry into the licensure program, it would allow us to not only better provide for the children we currently serve, but it is expected that we could reach even more children, many of whom live at or below poverty.”*

Questions 14, 15, 16 asked if any of the other proposed rules in the General subchapter would affect them. They were asked to specify which rule in a free text field, then asked to determine about how much the rule would impact them financially which is summarized in the table below. It is important to consider that each respondent may be referring to a different facet of the proposed rules in this subchapter when predicting impact.

<b>In Subchapter "General," are there other rule changes that will financially impact you?</b>	
<b>Works with childcare providers</b>	<b>6</b>
<b>No fiscal impact</b>	<b>5</b>
Save you money	1
(blank)	
<b>Child Care Center</b>	<b>26</b>
Cost you money	3
<b>No fiscal impact</b>	<b>17</b>
Save you money	6
(blank)	
<b>Family home provider</b>	<b>9</b>
Cost you money	3
No fiscal impact	6
(blank)	
<b>Family, Friend, or Neighbor (FFN)</b>	<b>5</b>
Cost you money	1
<b>No fiscal impact</b>	<b>4</b>
(blank)	
<b>Group home provider</b>	<b>19</b>
Cost you money	3
<b>No fiscal impact</b>	<b>15</b>
Save you money	1
(blank)	
<b>Relative Care Exempt (RCE) Provider</b>	<b>1</b>
<b>No fiscal impact</b>	<b>1</b>
<i>Source: DPHHS Economic Impact Analysis Survey, 2024</i>	

**Quotes from respondents who indicated there would be no fiscal impact:**

Family home provider: "No longer require 16 hours of continue education would save me

money & time.”

*“I am a Head Start and so am required to meet more stringent Federal health and safety standards regardless.”*

*“We are a tribal childcare and parents request we swaddle their child usually until 2 years old.”*

*“School age child will cost as no one wants to pay full time for an after-school need or just Fridays and scholarships don’t pay when child is in school.”*

**Quotes from respondents who indicated the changes would save them money:**

Child Care Center Director: *“With the ratios changing but buildings being designed with old ratios/square footage requirements it poses problems with the ability to utilize the new ratios in current facilities/classroom size”*

*“Allowing more children to be cared for between 12-23 months and 3 years old.”*

*“Updated child care center ratios.”*

*“[savings of] Over 25k a year”*

**Quotes from respondents who indicated the changes would cost them money:**

Child Care Center Owner: *“Allowing the Boys and Girls Club to be licensed will haul [harm] all childcare providers in our community. Their method of warehousing children is not childcare.”*

*“The 1:10 ratio for 5-year-olds will cost us \$2250/month as we'd budgeted 15 slots for the kindergarten class we plan to open in the Fall.”*

*“Not being categorized as Licensed may impact people who are looking for Licensed Quality Care and may feel a Registered provider is not Quality just because of the name differential you have given providers.”*

*“The new [ratios] only pertaining to centers, not group or family.”*

*“New Rule III - Determining facility type and counting children on license or registration cost you money.”*

**Program Activities**

**Questions 18, 19, 20, 21 inquire how the changes to the rule on program activities would financially impact the respondents.** 80% (52 of 65) of individuals expected that the revised rule program activities would not impact them financially. Six indicated the changes would cost them money, and seven responded it would save them money. For those who estimated a cost (12): five estimated less than \$1,000, six selected \$1001 to \$2000 and one selected “other.” For those who chose to estimate savings: five selected \$1-\$1,000, three selected \$1001-\$5,500 and four selected “other.”

<b>In the Subchapter “Program Activities,” are there rule changes that will financially impact you?</b>	
<b>Works with childcare providers</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Child Care Center</b>	<b>25</b>
<b>No fiscal impact</b>	<b>22</b>
Save you money	3
(blank)	
<b>Family home provider</b>	<b>9</b>
Cost you money	1
<b>No fiscal impact</b>	<b>7</b>
Save you money	1
(blank)	
<b>Family, Friend, or Neighbor (FFN)</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Group home provider</b>	<b>19</b>
Cost you money	5
<b>No fiscal impact</b>	<b>13</b>
Save you money	1
(blank)	
<b>Relative Care Exempt (RCE) Provider</b>	<b>1</b>
<b>No fiscal impact</b>	<b>1</b>
<i>Source: DPHHS Economic Impact Analysis Survey, 2024</i>	

**Administrative**

**Questions 22, 23, 24 pertained to the removal of requirements to track staff immunization records.**

67% (47 of 70) of respondents indicated the revised rule to remove requirements to track staff immunization records would not impact them financially, 23% responded that it would save them money, and 10% anticipated that it would cost them. For those who selected either saving or costing money, less than \$1,000 was the most frequent estimate.



<b>Rule: Remove requirement to track staff immunization records</b>	
<b>Works with childcare providers</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Child Care Center</b>	<b>27</b>
Cost you money	2
<b>No fiscal impact</b>	<b>17</b>
Save you money	8
(blank)	
<b>Family home provider</b>	<b>10</b>
Cost you money	2
<b>No fiscal impact</b>	<b>8</b>
(blank)	
<b>Family, Friend, or Neighbor (FFN)</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Group home provider</b>	<b>21</b>
Cost you money	3
<b>No fiscal impact</b>	<b>12</b>
Save you money	6
(blank)	
<b>Relative Care Exempt (RCE) Provider</b>	<b>1</b>
<b>No fiscal impact</b>	<b>1</b>
<i>Source: DPHHS Economic Impact Analysis Survey, 2024</i>	

**Quote from a Group home owner:**

*"I would still track staff immunizations because Head Start regulations require me to ensure staff are free from communicable diseases."*

**Safety and Facilities**

**Questions 29, 30, 31 inquired about the impact of the streamlining of building inspections.**

79% (54 of 68) of individuals anticipated no financial impact, six anticipated costs and eight anticipated savings. For those who chose to estimate potential costs (11): five responded less than \$1,000. For those who chose to estimate potential savings (14): ten responded less than \$1,000.

<b>Rule: Streamlining building inspections</b>	
<b>Works with childcare providers</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Child Care Center</b>	<b>26</b>
Cost you money	2
<b>No fiscal impact</b>	<b>21</b>
Save you money	3
(blank)	
<b>Family home provider</b>	<b>10</b>
Cost you money	1
<b>No fiscal impact</b>	<b>9</b>
(blank)	
<b>Family, Friend, or Neighbor (FFN)</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Group home provider</b>	<b>20</b>
Cost you money	3
<b>No fiscal impact</b>	<b>14</b>
Save you money	3
(blank)	
<b>Relative Care Exempt (RCE) Provider</b>	<b>1</b>
<b>No fiscal impact</b>	<b>1</b>
<i>Source: DPHHS Economic Impact Analysis Survey, 2024</i>	

**Quotes from Childcare Center Directors:**

*“If this will streamline building code and exit [requirements], I think it could possibly save us money, depending on the requirements. I would not have to put in a door where there is*

*one that leads to lobby very close to the front door exit. There are other programs I would like to offer within so this would help with that as well."*

*"New Rule: Bathroom Hygiene Reducing the ratios of lavatories and water closets to 1:15, will be a huge expense for some facilities that do not have the space to add more in their centers. I hope they are able to grandfather/waiver those facilities in this proposed rule..."*

*"The wading pool requirements would need to increase staffing if we chose to play in a wading pool in the summer."*

*"(viii) when cribs are used, infants must be continuously supervised through sight or hearing, including proper use of audio or video monitors."* The respondent indicated this rule will save them money.

### **Medical Health**

#### ***Questions 36, 37, 38 inquired about the impact of reduced inspections.***

85% (56 of 66 respondents) anticipated no financial impact from reducing building inspections, six anticipated costs, and four anticipated savings. For those who chose to estimate costs, five (of ten) selected less than \$1,000. For those who chose to estimate savings, seven (of eleven) selected less than \$1,000.

<b>Rule: Reduction in building inspections</b>	
<b>Works with childcare providers</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Child Care Center</b>	<b>27</b>
Cost you money	3
<b>No fiscal impact</b>	<b>23</b>
Save you money	1
(blank)	
<b>Family home provider</b>	<b>8</b>
Cost you money	1
<b>No fiscal impact</b>	<b>6</b>
Save you money	1
(blank)	
<b>Family, Friend, or Neighbor (FFN)</b>	<b>5</b>
Cost you money	1
<b>No fiscal impact</b>	<b>4</b>
(blank)	
<b>Group home provider</b>	<b>19</b>
Cost you money	1
<b>No fiscal impact</b>	<b>17</b>
Save you money	1
(blank)	
<b>Relative Care Exempt (RCE) Provider</b>	<b>1</b>
<b>No fiscal impact</b>	<b>1</b>
<i>Source: DPHHS Economic Impact Analysis Survey, 2024</i>	

**Quote from a Childcare Center Director:**

*“Lessening the fever requirement from 101 for children to 100.4 for children and adult will impact operations. Uncertain if it will cost money (sending staff home) or save (sending children and then staff home).”*

**Environmental Health**

**Questions 43, 44, 45, 46** inquired how the changes in environmental health would financially impact the respondents. 78% (51 of 65 respondents) anticipated the rules in the subchapter on environmental health would not financially impact them, four anticipated savings, and ten anticipated costs. It is important to consider that each respondent may be referring to a different facet of the proposed rules

in this subchapter when predicting impact. For those willing to estimate potential costs (11), six estimated less than \$1,000. For those who were willing to estimate savings (12), seven selected less than \$1,000. For those who indicated that the rules would cost them money, when asked which rule, “Rule LVII,” which is Food Preparation and Handling, and “installing and monitoring public water supply... up to date on regulations would be over \$20,000” were the two replies.

<b>In Subchapter “Environmental Health,” are there other rule changes that will financially impact you?</b>	
<b>Works with childcare providers</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Child Care Center</b>	<b>25</b>
Cost you money	3
<b>No fiscal impact</b>	<b>21</b>
Save you money	1
(blank)	
<b>Family home provider</b>	<b>10</b>
Cost you money	2
<b>No fiscal impact</b>	<b>8</b>
(blank)	
<b>Family, Friend, or Neighbor (FFN)</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Group home provider</b>	<b>18</b>
Cost you money	5
<b>No fiscal impact</b>	<b>12</b>
Save you money	1
(blank)	
<b>Relative Care Exempt (RCE) Provider</b>	<b>1</b>
<b>No fiscal impact</b>	<b>1</b>
<i>Source: DPHHS Economic Impact Analysis Survey, 2024</i>	

**Nutrition & Food Services Questions**

**Questions 47, 48, 49, 50 inquired how the changes in nutrition and food services requirements would financially impact the respondents.** 83% (52 of 63) of respondents anticipated that the rules in the subchapter on Nutrition and Food Services would not financially impact them, seven anticipated costs,

and four anticipated savings. It is important to consider that each respondent may be referring to a different facet of the proposed rules in this subchapter when predicting impact. Nine people chose to estimate savings, of these five selected less than \$1,000, two selected \$1,001-\$2000, and two selected “other.” Eleven people chose to estimate a dollar amount for costs, seven selected \$1000 or less.

<b>In Subchapter “Nutrition and Food Services,” are there other rule changes that will financially impact you?</b>	
<b>Works with childcare providers</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Child Care Center</b>	<b>24</b>
Cost you money	1
<b>No fiscal impact</b>	<b>22</b>
Save you money	1
(blank)	
<b>Family home provider</b>	<b>9</b>
Cost you money	3
<b>No fiscal impact</b>	<b>6</b>
(blank)	
<b>Family, Friend, or Neighbor (FFN)</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Group home provider</b>	<b>18</b>
Cost you money	3
<b>No fiscal impact</b>	<b>14</b>
Save you money	1
(blank)	
<b>Relative Care Exempt (RCE) Provider</b>	<b>1</b>
<b>No fiscal impact</b>	<b>1</b>
<i>Source: DPHHS Economic Impact Analysis Survey, 2024</i>	

**Immunizations: Medical or Religious exemption for children**

***If you are director or owner of a Child Care Center, how does the requirement to accept a medical or religious exemption (for children) impact your business? (Questions 51-56)***

Most owners and directors of Childcare Center (47 respondents) felt the question was not applicable

(18) or there was no fiscal impact for them (16). Of those who anticipated a financial impact (13), most were concerned the rule would cost them money (10). The majority of owners and directors of Home-based Facilities (17 respondents) felt the question was not applicable (9) or there was no fiscal impact for them (4). Of those who anticipated a financial impact (4), most were anticipated the rule would cost them money (3).

<b>Rule: Requirement to accept a medical or religious vaccine exemption for children at <u>Child Care Centers</u></b>	
<b>Child Care Center Director or Owner</b>	<b>47</b>
Cost you money	10
No fiscal impact	16
<b>Not applicable</b>	<b>18</b>
Save you money	3
(blank)	
<b>Home-based Facility Director or Owner</b>	<b>17</b>
Cost you money	3
No fiscal impact	4
<b>Not applicable</b>	<b>9</b>
Save you money	1
(blank)	
<i>Source: DPHHS Economic Impact Analysis Survey, 2024</i>	

The proposed rule changes to immunization requirements for children received the most comments. Below are comments from childcare providers, owners, and directors. Comments from inspectors and contractors are included in the public comments section.

**Quotes from Childcare Center Directors:**

*“This will cost my business money because I am not comfortable accepting religious exemptions, medical yes.”* This individual responded they anticipate the change would cost them \$1501 - \$2000.

*“[This would cost] Over \$10,000 - I would lose many families if I was required to accept exemptions. I would also consider closing or not renewing my license and converting to a drop-in program (since drop-in programs are allowed to [operate] despite having most students attend on a regular basis).”*

*“I believe the biggest financial impact for centers will be adhering to the proposed immunization waiver. That may decrease center enrollment due to families wanting to keep their children safe from vaccine preventable illnesses. Those families will choose a location that has the option to deny waivers. Centers should be given the same option of accepting/denying waivers as other child care businesses. In addition to that, centers may have a harder time employing staff due to the increased potential of severe illness*

*outbreaks in center facilities. Centers already struggle with staffing shortages."*

*"This rule costs money as we could serve children without complete immunization records."  
This individual estimated the change would cost them \$30,000.*

*"We [anticipate] families leaving if we are forced to [accept] children without immunizations. The loss of [tuition] revenue can be detrimental to the business."*

*"This could cost our entire 6-million-dollar Head Start Grant if families decide not to enroll because we CAN NOT accept religious exemptions."*

*"We anticipate families leaving if we are forced to accept children without immunizations. The loss of tuition revenue can be [detrimental] to the business."*

*"If the rules were changed to offer religious and medical exemptions. I would not be comfortable accepting religious ones, medical is understandable because they physically cannot have the vaccine in their body."*

*"As a child care center, I believe we also deserve the right to either accept or deny medical or religious exemptions. Center populations are higher and put more children and staff at risk if we are required to accept waivers."*

*"The biggest impact for our program would be the religious waiver for all immunizations, this is in direct conflict with...Head Start federal regulations."*

**Quotes from Group Home Directors:**

*'As a daycare that would accept non-immunized children, I would anticipate families possibly pulling their children [out].'*

*"It could potentially cost me the tuition fees of other children. Parents of vaccinated children may pull their kids [out] if my program is forced to accept exceptions for required immunizations."*

**Quote from Childcare Center Owner:**

*"Over \$10,000 - I would lose many families if I was required to accept exemptions. I would also consider closing or not renewing my license and converting to a drop-in program (since drop-in programs are allowed to operate despite having most students attend on a regular basis). "*

**Childcare director quote:**

*"I began to fill out this survey, and stopped because this survey is incredibly frustrating for many reasons. It is not easy to follow and the "impact" dollar amount with these proposed changes far exceeds \$2000. These changes directly impact the quality of programming in so many ways. If these changes are enforced, I know my program would lose enrollment, costing me more than \$2000. Requiring childcare facilities to accept immunization exemptions for children and staff, increasing ratio, and allowing children to teach children*



*(16-year-olds) is astonishing and does not fall in place with the values of many. As an early educator of 20 years and a center director of 4 years, it is incredible to me that changes such as considering a 16 year old to provide care for children, to lessen the qualifications needed to be a teacher, to not require staff or children to be immunized.....All of this diminishes the ability to provide high quality care for our earliest learners. I recognize the challenges ECE is facing and the lack of equity within this field, however, it is our duty to ensure we are not just making it "easier" to provide care and education and allow providers to be under qualified so we can open more facilities. While licensing regulations are at best the bare minimum we are required to follow, it is our duty as educators of young children to do better for these kids. It is clear to me that whomever has suggested these changes be implemented, has never had the opportunity to teach young children, has never run a center and has most likely never had their children in childcare and do not recognize the impact a quality environment has on young minds. We must do better...."*

### **Staff Qualifications & Training**

***In the Subchapter "Immunizations," are there rule changes that will financially impact you? Please specify (Questions 57-60)***

The majority (33 of 41 respondents) of owners and directors of Childcare Center anticipated there would be no fiscal impact for them (33). Of those who anticipated a financial impact (8), most were concerned the rule would cost them money (5). The majority of owners and directors of Home-based Facilities (16 respondents) anticipated no fiscal impact (12). Of those who anticipated a financial impact (4), most were concerned the rule would cost them money (3). It is important to consider that each respondent may be referring to a different facet of the proposed rules in this subchapter when predicting impact.

<b>In the Subchapter “Immunizations,” are there rule changes that will financially impact you?</b>	
<b>I am not a child care provider, but I work with child care providers.</b>	<b>5</b>
Cost you money	2
No fiscal impact	2
Save you money	1
(blank)	
<b>Child Care Center</b>	<b>23</b>
Cost you money	4
No fiscal impact	17
Save you money	2
(blank)	
<b>Family home provider</b>	<b>10</b>
Cost you money	3
No fiscal impact	7
(blank)	
<b>Family, Friend, or Neighbor (FFN)</b>	<b>5</b>
No fiscal impact	4
Save you money	1
(blank)	
<b>Group home provider</b>	<b>18</b>
Cost you money	1
No fiscal impact	16
Save you money	1
(blank)	
<b>Relative Care Exempt (RCE) Provider</b>	<b>1</b>
No fiscal impact	1

*Source: DPHHS Economic Impact Analysis Survey, 2024*

**Questions 61, 62, 63 inquired about the impact of the option to employ a 16-year-old (Questions 61-63).**

68% (46 of 68 respondents) said the option of employment of a 16-year-old would not impact them financially. Eighteen (28%) responded that the changes would save them money, and seven estimated the changes would save more than \$1,000. Three individuals responded that the changes would cost them money. When asked to estimate how much money the rule changes may cost, 10 individuals selected ‘less than \$1,000.’

<b>Rule: Option to employ 16 year-old</b>	
<b>Works with childcare providers</b>	<b>5</b>
<b>No fiscal impact</b>	<b>3</b>
Save you money	2
<b>Child Care Center</b>	<b>26</b>
<b>No fiscal impact</b>	<b>19</b>
Save you money	7
<b>Family home provider</b>	<b>10</b>
Cost you money	1
<b>No fiscal impact</b>	<b>8</b>
Save you money	1
<b>Family, Friend, or Neighbor (FFN)</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
<b>Group home provider</b>	<b>20</b>
Cost you money	2
<b>No fiscal impact</b>	<b>11</b>
Save you money	7
<b>Relative Care Exempt (RCE) Provider</b>	<b>1</b>
<b>No fiscal impact</b>	<b>1</b>

Source: DPHHS Economic Impact Analysis Survey, 2024

**Quote from Childcare Center Owner:**

*“For high school students fulfilling unpaid work study hours, this could save on payroll and also provide future talent if they choose to apply for a paid position and work towards a lead teacher position once they graduate.”*

**Questions 64, 65, 66, 67, 68, 69 inquired whether the changes to staff qualifications requirements would impact them financially.**

71% (46 of 65) of respondents indicated the staff qualification revisions would not impact them financially. Twelve individuals responded that the changes would save them money. Seven indicated the changes would cost them money. When asked to estimate savings the majority of respondents (6 of 16) selected ‘less than \$1,000’ and five selected ‘\$1001-\$2000’. When asked to estimate cost, 14 respondents were split: half selected less than \$1,000 and half selected \$1,000-\$2,000.

<b>Rule: The impact of staff qualification revisions overall</b>	
<b>Works with childcare providers</b>	<b>5</b>
Cost you money	1
<b>No fiscal impact</b>	<b>3</b>
Save you money	1
(blank)	
<b>Child Care Center</b>	<b>23</b>
Cost you money	2
<b>No fiscal impact</b>	<b>18</b>
Save you money	3
(blank)	
<b>Family home provider</b>	<b>10</b>
Cost you money	1
<b>No fiscal impact</b>	<b>7</b>
Save you money	2
(blank)	
<b>Family, Friend, or Neighbor (FFN)</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Group home provider</b>	<b>20</b>
Cost you money	3
<b>No fiscal impact</b>	<b>13</b>
Save you money	4
(blank)	
<b>Relative Care Exempt (RCE) Provider</b>	<b>1</b>
<b>No fiscal impact</b>	<b>1</b>
<i>Source: DPHHS Economic Impact Analysis Survey, 2024</i>	

### **Background Checks**

**Questions 71, 72, 73, 74 inquired how the changes in background checks requirements would financially impact the respondents.** 83% (54 of 65) of individuals expected the rules in the subchapter on background checks would not financially impact them. Five responded that the changes would cost them money and most estimated less than \$1,000 in costs. Six responded that the changes would save them money, with most estimating less than \$1,000 in savings. It is important to consider that each respondent may be referring to a different facet of the proposed rules in this subchapter when predicting impact.

<b>Rule: The impact of background check revisions overall</b>	
<b>Works with childcare providers</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Child Care Center</b>	<b>24</b>
Cost you money	2
<b>No fiscal impact</b>	<b>20</b>
Save you money	2
(blank)	
<b>Family home provider</b>	<b>10</b>
Cost you money	1
<b>No fiscal impact</b>	<b>8</b>
Save you money	1
(blank)	
<b>Family, Friend, or Neighbor (FFN)</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Group home provider</b>	<b>19</b>
Cost you money	2
<b>No fiscal impact</b>	<b>16</b>
Save you money	1
(blank)	
<b>Relative Care Exempt (RCE) Provider</b>	<b>1</b>
<b>No fiscal impact</b>	<b>1</b>
<i>Source: DPHHS Economic Impact Analysis Survey, 2024</i>	

**Enforcement**

**Questions 75, 76, 77, 78 inquire how the changes in enforcement would financially impact the respondents.** 89% (57 of 64) of respondents expected the rules in the subchapter on enforcement would not financially impact them. Two responded that the changes would cost them money. When asked to estimate costs, five individuals responded '\$1-\$1,000, one selected \$1501-\$2,000. Five responded that the changes would save them money. When asked to estimate savings, six individuals responded with one choosing \$1501-\$2,000 and five selecting less than \$1,000. It is important to consider that each respondent may be referring to a different facet of the proposed rules in this subchapter when predicting impact.

<b>In Subchapter "Enforcement," are there other rule changes that will financially impact you?</b>	
<b>Works with childcare providers</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Child Care Center</b>	<b>24</b>
Cost you money	1
<b>No fiscal impact</b>	<b>22</b>
Save you money	1
(blank)	
<b>Family home provider</b>	<b>10</b>
Cost you money	1
<b>No fiscal impact</b>	<b>8</b>
Save you money	1
(blank)	
<b>Family, Friend, or Neighbor (FFN)</b>	<b>5</b>
<b>No fiscal impact</b>	<b>4</b>
Save you money	1
(blank)	
<b>Group home provider</b>	<b>18</b>
<b>No fiscal impact</b>	<b>17</b>
Save you money	1
(blank)	
<b>Relative Care Exempt (RCE) Provider</b>	<b>1</b>
<b>No fiscal impact</b>	<b>1</b>
<i>Source: DPHHS Economic Impact Analysis Survey, 2024</i>	

**Impact of implementation**

**Question 79, in addition to the fiscal implications the new child care rule may have on your operations, we would like to hear feedback on the impact of implementing the rule would be to your operations.** Over half (37 of 69) of individuals anticipated that the new childcare rules would have some impact their operations, and thirteen said there would be significant impact. Over half (44 of 69) anticipated the new childcare rules would have some impact on the administration of their business or program. Eleven (16%) responded that there would be a significant impact. Forty-nine (72%) responded that there would be some or significant impact on the recruitment and retention of employees.

**Question 80 How challenging is the proposed rule?** Over half (38 of 70) of respondents anticipated that

the proposed rule would be challenging in general. Over half (38 of 70) responded that the new rules would be somewhat challenging on the administration of their business or program. Ten said the challenges on the administration of their business or program would be significant. Twenty-nine (43%) responded that the proposed rules would be a challenge for employee recruitment and retention, and thirteen (19%) anticipated there would be a significant challenge.

<b>In addition to the fiscal implications the new child care rule may have on your operations, we would like to hear feedback on the impact of implementing the rule would be to your operations.</b>			
<b>The impact of implementing the rule on operations:</b>	<b>None</b>	<b>Some</b>	<b>Significant</b>
Expected effort to go into adhering to the new rules?	28%	<b>54%</b>	19%
Expected impact of the rules to administrate your business/program?	20%	<b>64%</b>	16%
Expected effect of the new rules on employee recruitment and retention?	28%	<b>50%</b>	22%
<b>How challenging is the proposed rule on:</b>	<b>None</b>	<b>Some</b>	<b>Significant</b>
General	34%	<b>54%</b>	11%
Administrative of the business/program	31%	<b>54%</b>	15%
Employee recruitment and retention	38%	<b>43%</b>	19%

*Source: DPHHS Economic Impact Analysis Survey, 2024*

<b>In addition to the fiscal implications the new child care rule may have on your operations, we would like to hear feedback on the impact of implementing the rule would be to your operations.</b>			
<b>The impact of implementing the rule on operations:</b>			
	<b>None (%)</b>	<b>Some (%)</b>	<b>Significant (%)</b>
Expected effort to go into adhering to the new rules?	28%	<b>54%</b>	19%
Expected impact of the rules to administrate your business/program?	20%	<b>64%</b>	16%
Expected effect of the new rules on employee recruitment and retention?	28%	<b>50%</b>	22%
<b>How challenging is the proposed rule on:</b>			
	<b>None (%)</b>	<b>Some (%)</b>	<b>Significant (%)</b>
General	34%	<b>54%</b>	11%
Administrative of the business/program	31%	<b>54%</b>	15%
Employee recruitment and retention	38%	<b>43%</b>	19%

*Source: DPHHS Economic Impact Analysis Survey, 2024*

**Question 81: YOUR TURN: Is there anything else you believe the DPHHS should consider in determining a fiscal impact for implementing new standards?** (free text field) Comments from Directors and Owners are below. Comments by contractors, inspectors and public health officials can be found in public comments.

*“Thank you.”*

*“Please do not allow the Boys and Girls Club to become licensed. Their model of*

*warehousing kids with 1 staff per 100 kids is not childcare. Their methods of tracking kids- allowing kids to check themselves in and out of their locations is not childcare- it is dangerous."*

*"Providers need support for so much it would be nice to have DPPHS stand behind us when parents try to [overrule] us."*

*"I believe that if a child who is 12 months old is now considered to be a "toddler" then they should be in the "toddler" ratio of 8:1 instead of 6:1."*

*"No, let's get this passed as it has been many months since these rules needed to change. If anything, these rules will allow programs to provide even more care to families and therefore make an even more profit to pay employees a livable wage. These new standards are LONG OVER DUE."*

*"Creating a faster background check option. Maybe supervised care only while processing or a shorter turn around for approval."*

*"I believe the biggest financial impact for centers will be adhering to the proposed immunization waiver. That may decrease center enrollment due to families wanting to keep their children safe from vaccine preventable illnesses. Those families will choose a location that has the option to deny waivers. Centers should be given the same option of accepting/denying waivers as other child care businesses. In addition to that, centers may have a harder time employing staff due to the increased potential of severe illness outbreaks in center facilities. Centers already struggle with staffing shortages."*

*"I believe the child ratio is too large. I would not be comfortable as a parent with the larger ratio and as a provider I will not be increasing my ratio. I have special needs children that have not been considered in the basic ratio. 2 children with special needs need more supervision than 5 children without special needs for example. Quality of supervision needs to be observed as well as the need for increased enrollment."*

*"The role of the Child Care Licensing (CCL) program is to monitor, inspect, and support licensed and registered childcare facilities, as well as those working to become licensed or registered. CCL should only dictate how a childcare facility operates within the minimum expectations outlined in CCL regulations. While CCL regulations are in place to ensure children's safety, health, and well-being in childcare settings, they should not excessively infringe upon the autonomy of childcare providers. Childcare facilities may have unique philosophies, approaches, and methodologies for providing care and education to children. As long as they meet the minimum standards set by CCL regulations, they should have the flexibility to operate within reasonable parameters that align with their mission and values. However, CCL needs to provide guidance, support, and resources to help childcare facilities maintain high standards of quality care. This may include offering training opportunities, best practices, and access to relevant information to enhance the overall quality of childcare"*



*services. Ultimately, the goal of CCL regulations should be to ensure the safety and well-being of children while allowing childcare facilities the flexibility to operate in a manner that best suits their circumstances and the needs of the children and families they serve.”*

*“We are a Boys & Girls Clubs serving about 375 elementary age children who would fall under the proposed licensure requirements. If there is funding available through Best Beginnings to support our entry into the licensure program, it would allow us to not only better provide for the children we currently serve, but it is expected that we could reach even more children, many of who live at or below poverty.”*

*“I don't really have anything. I think they did a good job rewriting the rules. I do appreciate the changes to ratios. We believe that is a positive change.”*

*“We are a tribal childcare, and parents would in the past sign a form stating they would like their child/infant swaddled and now we are unable to do so, unless they are under 3 months. This has caused a lot of frustrations with our parents.”*

*“I commend the improvements made in the childcare ratios and their increased flexibility. We will be sticking to the old ratios as I feel it is safer but having the flexibility on a short staff day is fantastic. The group sizes are never something I will agree with. It is difficult to do in an open concept larger center. Making the sliding fee scale a bit higher would allow MANY of my families to enroll in BB. Most of them are just a tiny bit over the cut off. There should be certain instances allowed. I find the requirement for a commercial hood in the kitchen to be excessive. Installing a standard range would serve the necessary purpose without unnecessary financial burden. I believe there is room for improvement in the training requirements for new staff. Some of the current training modules appear to difficult (they will not be creating a lesson plan anytime soon), for individuals who are new to working in childcare programs. Streamlining these requirements to focus on essential skills and knowledge would optimize the training process and better prepare staff for their roles. Constructive communication with childcare licensors instead of the feeling that they are only here to "write us up" "find things wrong etc. Maybe even adding at least one positive feedback on inspection forms. Having the opportunity to fix a small deficiency in the moment. Example: going to the classroom where someone mistakenly left the tweezers and put them back in the 1st aid kit w/o getting a writeup. This has happened to our program in the past. For the licensors to all have the same rules and not operate from their person opinions and perspectives. Essentially more consistency. We were going to be written up for the exact same thing another provider had happen until I brought it up to someone higher than my licensor. The other provider had a different licensor who did not write it up or even report it to her supervisor. This cannot happen, especially if you self-report and are very transparent and have a plan in place to assure it does not happen again. More consistency would let providers feel more comfortable self-reporting and getting guidance if needed. Not having to go through the building department! Ugg this is a tough one! I know we need to, but in my case the class door is literally less than 3 feet that lead to the direct access door.”*

*“The biggest impact for our program would be the religious waiver for all immunizations, this is in direct conflict with the Head Start federal regulations.”*

*“Pass the rules package so we can know what is expected and focus on quality!”*

*“The proposed rule will help our afterschool and summer programs more affordable and allow us to reach out to low-income families who are [eligible] for Best Beginnings Scholarships. Our mission is to serve the children that need us most and that is financially impossible for low-income families. We fundraise over \$150,000 a year and still some families cannot pay our fees without help.”*

*“No”*

*“Get rid of the Registration lingo and License the child care field.”*

*“Get on the same page with rules with the food program. You have rules and the food program has rules that go totally against what your rules are. Like they want a shower or bathtub in the daycare so the child can be bathed if need be, but licensing says do not bathe the children. This is something you guys need to get figured out. I had this fight when I was trying to open my second daycare. There needs to be something fixed with the food program rules and your rules. You guys need to get on the same page.”*

*“No, Thank you”*

*“I wish that something would have come out explaining what the changes would be. It's hard to swallow such a big document. Especially those who are new, there's no way they're going to know what the current rules are and be able to properly decipher the proposed rules vs the current rules.”*

*“New Rule: Bathroom Hygiene Reducing the ratios of [lavatories] and water closets to 1:15, will be a huge expense for some facilities that do not have the space to add more in their centers. I hope they are able to grandfather/waiver those facilities in this proposed rule. New Rule: Exemptions from Vaccination Owner/Operators should have a say in whether their policies allow Exemptions from Vaccinations instead of enforcing this rule. Please consider our own businesses.”*

*“I would like DPHHS to look at the rule regarding child to staff ratios - New Rule III Determining Facility Type and Counting Children on License or Registration. I would like DPHHS and the current legislation to really consider whether a daycare owner's own children should count in the facility's ratios. I currently have 4 of my own children in my child care facility. Because they are my children, those are spots that are not getting paid for. Because I own the childcare facility, I do not qualify for the program that pays for employees to have their kids paid for or the Best Beginnings Scholarship. So until my own*

*children are old enough to be in school full time, those 4 spots will remain unpaid. Because they count in my ratios, I almost always have to have an additional staff person with me. If my own children didn't count, there are time when I could send staff home and save my program money."*

*"Are current centers intended to be grandfathered in regarding [proposed] rule: Bathroom hygiene? Our Pre/K classroom (4 & 5 years), when at max enrollment, has 20 students. We have one classroom toilet & sink and also have access to a restroom in the hallway. [Monthly] revenue could decrease by \$5,575.00 (based on 2024 tuition rates) if we had to reduce class size from 20 to 15 students. That's an annual loss of \$66,900.00.*

*"Turnover rates in [childcare] are extremely high and burnout happens quickly. Financial incentives would help in retaining staff!"*

*"Documentation should be clear in indicating the updated standard and the change needed. Staff should be able to review materials with a reasonable time commitment. Lead Teacher requirements should prepare teachers to be well prepared but have more options to qualify a teacher for the lead teacher role."*

## Attachment B

Economic Impact Survey

Dear Survey Participant,

The Early Childhood and Family Support Division (ECFSD) of the Department of Public Health and Human Services (DPHHS) is asking for your help in preparing a statement on the economic impact of the proposed child care licensing rules on your operations. We appreciate your willingness to participate in this survey, which aims to gather crucial insights into the economic ramifications of the proposed child care regulations. Your input will be invaluable in comprehensively assessing the effects of these rules on various stakeholders within the child care sector and the broader community.

**Your responses will ensure a comprehensive understanding of the economic landscape surrounding the proposed child care regulations. Please rest assured that all information provided will be treated with the utmost confidentiality and used solely for research purposes. For our team to compile the data into a report for the Children, Families, Health and Human Services Interim Committee, please complete this survey by Monday March 11th at 11:59 PM.**

**Thank you for your valuable contribution to this important endeavor.**

**Sincerely,  
The Early Childhood and Family Support Division**

Find the complete proposed rule package here:  
<https://dphhs.mt.gov/assets/rules/37-1044pro-arm.pdf>

## Demographics

1. What type of child care provider are you associated with?

Child Care Center

Group home provider

Family home provider

Family, Friend, or Neighbor (FFN)

Relative Care Exempt (RCE) Provider

I am not a child care provider, but I work with child care providers.

2. What is your role?

Owner

Director

3. Where do you provide Care?

County

City

4. If you are not associated with a child care provider, what do you represent?

County Level

City Level

Contractor

Inspector

Health

## Subchapters

### General

**The Child Care Licensing rules were rewritten to be clear, concise, and easy to navigate.**

5. How would the structure of the revised rules impact you?

Save you money

Cost you money

No fiscal impact

6. How much money will the rules save you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other  
Please specify

7. How much money will the rules cost you?

- \$1 - \$1000
- \$1001 - \$1500
- \$1501 - \$2000
- Other
- Please specify

**The Child Care Licensing rules offer the option to propose an innovative pilot to meet the needs of a community.**

8. How would the revised rules (in Proposed Notice 37-1044) impact you when applied to an innovative pilot?

- Save you money
- Cost you money
- No fiscal impact

9. How much money will the rules save you?

- \$1 - \$1000
- \$1001 - \$1500
- \$1501 - \$2000
- Other
- Please specify

10. How much money will the rules cost you?

- \$1 - \$1000
- \$1001 - \$1500
- \$1501 - \$2000
- Other
- Please specify

**The Child Care Licensing rules offer the option for a school-age licensing type.**

11. How would the revised rules impact you?

- Save you money
- Cost you money
- No fiscal impact

12. How much money will the rules save you?

- \$1 - \$1000
- \$1001 - \$1500
- \$1501 - \$2000
- Other

Please specify

13. How much money will the rules cost you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

**In the Subchapter "General," are there other rule changes that will financially impact you?**

14. Please specify which rule:

15. How would the revised rules impact you?

Save you money

Cost you money

No fiscal impact

16. How much money will the rules save you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

17. How much money will the rules cost you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

### **Program Activities**

**In the Subchapter "Program Activities," are there rule changes that will financially impact you?**

18. Please specify which rule:

19. How would the revised rules impact you?

Save you money

Cost you money

No fiscal impact

20. How much money will the rules save you?

- \$1 - \$1000
- \$1001 - \$1500
- \$1501 - \$2000
- Other
- Please specify

21. How much money will the rules cost you?

- \$1 - \$1000
- \$1001 - \$1500
- \$1501 - \$2000
- Other
- Please specify

### **Administrative**

**The rule changes would remove the requirements to track staff immunization records.**

22. How would this revised rule impact you?

- Save you money
- Cost you money
- No fiscal impact

23. How much money will the rules save you?

- \$1 - \$1000
- \$1001 - \$1500
- \$1501 - \$2000
- Other
- Please specify

24. How much money will the rules cost you?

- \$1 - \$1000
- \$1001 - \$1500
- \$1501 - \$2000
- Other
- Please specify

**In the Subchapter "Administrative," are there rule changes that will financially impact you?**

25. Please specify which rule:

26. How would this revised rule impact you?

- Save you money
- Cost you money

No fiscal impact

27. How much money will the rules save you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

28. How much money will the rules cost you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

### **Safety and Facilities**

#### **The impact of streamlining of building inspections.**

29. How would this revised rule impact you?

Save you money

Cost you money

No fiscal impact

30. How much money will the rules save you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

31. How much money will the rules cost you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

**In the Subchapter "Safety and Facilities," are there rule changes that will financially impact you?**

32. Please specify which rule:

33. How would this revised rule impact you?

Save you money



Cost you money  
No fiscal impact

34. How much money will the rules save you?

\$1 - \$1000  
\$1001 - \$1500  
\$1501 - \$2000  
Other  
Please specify

35. How much money will the rules cost you?

\$1 - \$1000  
\$1001 - \$1500  
\$1501 - \$2000  
Other  
Please specify

### **Medical Health**

#### **Impact of the reduction in health inspections.**

36. How would this revised rule impact you?

Save you money  
Cost you money  
No fiscal impact

37. How much money will the rules save you?

\$1 - \$1000  
\$1001 - \$1500  
\$1501 - \$2000  
Other  
Please specify

38. How much money will the rules cost you?

\$1 - \$1000  
\$1001 - \$1500  
\$1501 - \$2000  
Other  
Please specify

In the Subchapter "Medical Health," are there other rule changes that will financially impact you?

39. Please specify which rule:

40. How would this revised rule impact you?

Save you money  
Cost you money  
No fiscal impact

41. How much money will the rules save you?

\$1 - \$1000  
\$1001 - \$1500  
\$1501 - \$2000  
Other  
Please specify

42. How much money will the rules cost you?

\$1 - \$1000  
\$1001 - \$1500  
\$1501 - \$2000  
Other  
Please specify

### **Environmental Health**

**In the Subchapter “Environmental Health,” are there rule changes that will financially impact you?**

43. Please specify which rule:

44. How would this revised rule impact you?

Save you money  
Cost you money  
No fiscal impact

45. How much money will the rules save you?

\$1 - \$1000  
\$1001 - \$1500  
\$1501 - \$2000  
Other  
Please specify

46. How much money will the rules cost you?

\$1 - \$1000  
\$1001 - \$1500  
\$1501 - \$2000  
Other  
Please specify

### **Nutrition and Food Services**

**In the Subchapter “Nutrition and Food Service,” are there rule changes that will financially impact you?**

47. Please specify which rule:

48. How would this revised rule impact you?

Save you money

Cost you money

No fiscal impact

49. How much money will the rules save you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

50. How much money will the rules cost you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

**Immunizations**

**If you are director or owner of a Child Care Center, how does the requirement to accept a medical or religious exemption impact your business?**

51. How would this revised rule impact you?

Save you money

Cost you money

No fiscal impact

Not applicable

52. How much money will the rules save you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

53. How much money will the rules cost you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

**If you are director or owner of a home-based facility, how does the option to accept a medical or religious exemption impact your business?**

54. How would this revised rule impact you?

Save you money

Cost you money

No fiscal impact

Not applicable

55. How much money will the rules save you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

56. How much money will the rules cost you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

### **Staff Qualifications and Training**

**In the Subchapter "Immunizations," are there rule changes that will financially impact you?**

57. Please specify which rule:

58. How would this revised rule impact you?

Save you money

Cost you money

No fiscal impact

59. How much money will the rules save you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

60. How much money will the rules cost you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

**Staff Qualifications and Training**

**The impact of the option to employ a 16-year old.**

61. How would this revised rule impact you?

Save you money

Cost you money

No fiscal impact

62. How much money will the rules save you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

63. How much money will the rules cost you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

**The impact of staff qualification revisions.**

64. How would this revised rule impact you?

Save you money

Cost you money

No fiscal impact

65. How much money will the rules save you?

\$1 - \$1000

\$1001 - \$1500

\$1501 - \$2000

Other

Please specify

66. How much money will the rules cost you?

\$1 - \$1000

\$1001 - \$1500  
\$1501 - \$2000  
Other  
Please specify

**In the Subchapter “Staff Qualifications and Training,” are there rule changes that will financially impact you?**

67. Please specify which rule:

68. How would this revised rule impact you?  
Save you money  
Cost you money  
No fiscal impact

69. How much money will the rules save you?  
\$1 - \$1000  
\$1001 - \$1500  
\$1501 - \$2000  
Other  
Please specify

70. How much money will the rules cost you?  
\$1 - \$1000  
\$1001 - \$1500  
\$1501 - \$2000  
Other  
Please specify

**Background Checks**

**In the Subchapter “Background Checks,” are there rule changes that will financially impact you?**

71. Please specify which rule:

72. How would this revised rule impact you?  
Save you money  
Cost you money  
No fiscal impact

73. How much money will the rules save you?  
\$1 - \$1000  
\$1001 - \$1500

\$1501 - \$2000  
Other  
Please specify

74. How much money will the rules cost you?  
\$1 - \$1000  
\$1001 - \$1500  
\$1501 - \$2000  
Other  
Please specify

### **Enforcement**

**In the Subchapter "Enforcement," are there rule changes that will financially impact you?**

75. Please specify which rule:

76. How would this revised rule impact you?  
Save you money  
Cost you money  
No fiscal impact

77. How much money will the rules save you?  
\$1 - \$1000  
\$1001 - \$1500  
\$1501 - \$2000  
Other  
Please specify

78. How much money will the rules cost you?  
\$1 - \$1000  
\$1001 - \$1500  
\$1501 - \$2000  
Other  
Please specify

79. In addition to the fiscal implications the new child care rule may have on your operations, we would like to hear feedback on the impact of implementing the rule would be to your operations.

None (%)    Some (%)    Significant (%)

Expected effort to go into adhering to the new rules?  
Expected impact of the rules to administrate your business/program?  
Expected effect of the new rules on employee recruitment and retention?

80. How challenging is the proposed rule?

None (%)    Some (%)    Significant (%)

General

Administrative of the business/program

Employee recruitment and retention

81. YOUR TURN: Is there anything else you believe the DPHHS should consider in determining a fiscal impact for implementing new standard.