

# OFFICE OF MANAGEMENT & BUDGET



## State Budget Office

One Capitol Hill  
 Providence, RI 02908-5890

Office: (401) 222-6300  
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*State Fiscal Note for Bill Number:*

*2025-H 5397*

**Date of State Budget Office Approval:** Friday, February 21, 2025

**Date Requested:** Friday, February 7, 2025

**Date Due:** Thursday, February 20, 2025

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2025	N/A	FY 2025	N/A
FY 2026	\$1,039,689 - \$1,386,252	FY 2026	N/A
FY 2027	\$1,057,779 - \$1,410,372	FY 2027	N/A

**Explanation by State Budget Office:**

This bill would increase the number of state child care licensing inspectors to meet the National Association for Regulatory Administration (NARA) recommended average of one inspector for every fifty (50) to sixty (60) child care providers.

**Summary of Facts and Assumptions:**

The bill would take effect upon passage. The Budget Office assumes that the impact of this bill would take effect in FY 2026 on July 1, 2025.

The bill adds subsection 42-12-25(b) stating the general assembly shall annually appropriate to the Department of Human Services (DHS) funding for the hiring of additional state child care licensing inspectors in order to meet the National Association for Regulatory Administration (NARA) recommended average of one inspector for every fifty (50) to sixty (60) child care providers.

DHS testified at the November 2024 Caseload Estimating Conference (CEC) that there are 824 licensed childcare providers as of September 2024. Of which, 403 are Family Childcare providers (FCCP) and 421 are Childcare Centers (CCC). Since September 2021, based on testimony data, childcare provider capacity has remained relatively steady at 0-1% growth year over year. Therefore, the Budget Office assumes current FCCP and CCC provider numbers for FY 2026 and FY 2027. Using the national recommended average noted in the bill, the number of state child care licensing inspectors ranges from 14.0 to 17.0 FTE positions.

The General Assembly passed legislation that went into effect January 1, 2025, that approved licensing of youth summer camps as established in R.I. Gen. Laws § 23-21.2. As this is a new initiative, there is not historical data to base a projection and DHS notes that the number of camps is difficult to quantify as licensing is voluntary depending on if the camp would like to enroll Child Care Assistance Program (CCAP) eligible kids. DHS provided data that there are 13 known youth summer camps in Rhode Island. The Budget Office assumes that one additional FTE will be required to meet the NARA recommended average to accommodate youth summer camp if all applied for a license.



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DHS currently has 6.0 child care licensing inspector positions in the departments authorized FTE cap. Therefore, funding for an additional 9.0 to 12.0 FTE positions would be required to meet the NARA recommended inspectors based on the number of child care providers in Rhode Island and projected need for licensing youth summer camps.

The inspector job title is Human Services Policy and Systems Specialist (HSPSS I) at a classified paygrade of 24A. The Budget Office projects personnel cost of approximately \$115,521 annually for one FTE in FY 2026. This amount factors in the COLA reached in recent labor agreements. The total personnel costs in FY 2026 would range from \$1,039,689 for 9.0 FTEs and \$1,386,252 for 12.0 FTEs.

In FY 2027, salary would increase by 3% to account for COLA reached in recent labor agreements at approximate personnel cost of \$117,531 annually for one FTE. The total personnel costs in FY 2027 would range from \$1,057,779 for 9.0 FTEs and \$1,410,372 for 12.0 FTEs.

Comments on Sources of Funds:

DHS current funding allocation for child care licensing inspectors is 50 percent general revenue and 50 percent Child Care & Development Block grant funding. The Budget Office assumes this allocation to fund additional FTE positions as proposed by the bill.

Summary of Fiscal Impact:

FY 2025: No impact due to timing.

FY 2026:

- General Revenue: \$519,845 - \$693,126
- Federal Funds: \$519,845 - \$693,126
- All Funds: \$1,039,689 - \$1,386,252

FY 2027:

- General Revenue: \$528,890 - \$705,186
- Federal Funds: \$528,890 - \$705,186
- All Funds: \$1,057,779 - \$1,410,372

Budget Office Signature: \_\_\_\_\_

Digitally signed by Joseph Codega Jr.  
Date: 2025.02.24 08:54:11 -05'00'

Fiscal Advisor Signature: \_\_\_\_\_