

**SENATE FISCAL AGENCY
 ADMINISTRATIVE RULES FISCAL NOTE**

DATE: February 11, 2025
ANALYST: Michael Siracuse
PHONE: 373-2768

<u>TRANS. NO.</u>	<u>AGENCY</u>	<u>SUBJECT</u>
25-11	Department of Lifelong Education, Advancement, and Potential - Child Care Licensing Bureau	Licensing Child Care Centers

FISCAL IMPACT: The proposed rules would not have a direct fiscal impact on the state or local units of government. Indirectly, rule language that is easier to understand and the minor loosening of discretionary regulations (including flexibility for group size ratios and work experience substitutes for credentials) is likely to benefit the strength of the childcare labor force statewide. Without being able to measure them, indirect benefits could include increased availability and affordability of childcare, resulting in increased worker productivity and, therefore, state income tax revenue. A 2023 report sponsored by the U.S. Chamber of Commerce estimated that the lack of available childcare in Michigan was costing the state \$2.88 billion in economic activity, of which \$576.0 million was estimated to be lost state income tax revenue. While it is unlikely the proposed rule changes can address productivity or childcare availability at such a scale, they are likely to create less confusion for licensee applicants and less paperwork and regulations for current center licensees.