



Recommendation for Action

File #: 18-4030, **Agenda Item #:** 17.

1/31/2019

Posting Language

Approve an ordinance amending City Code Chapter 10-3 related to food enterprise permits for qualified high quality child care centers. Related to Item #16.

Lead Department

Austin Public Health.

Fiscal Note

This fee exemption will result in unrealized revenue estimated at \$21,075 in Fiscal Year 2018-2019 for the Austin Public Health Department.

Prior Council Action:

October 4, 2018 - Council approved Resolution No. 20181004-036, directing staff to identify potential fee waivers that may be applied to expenses associated with operating high quality child care centers on a 9-0 vote, Council Member Renteria off the dais and Council Member Troxclair absent.

September 28, 2017 - Council approved Resolution No. 20170928-057 directing staff to identify strategies that encourage affordable, high quality child care centers on a 10-0 vote, Council Member Troxclair absent.

For More Information:

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Council Committee, Boards and Commission Action:

May 16, 2018 - Health and Human Services Committee expressed support for a proposal to exempt certain social service providers, including high quality child care centers that accept subsidies, from having to pay food establishment permit fees.

April 11, 2018 - Early Childhood Council approved an endorsement of the High-Quality Child Care and Pre-K 3 Report developed in response to Council Resolution 20170928-057, which included fee waivers, on a 7-0 vote, with Chair Elsner recused and Members Sanchez, Garcia, Paver and Semple absent.

Additional Backup Information:

The proposed amendment to Chapter 10-3 (1) includes a definition for “qualified high quality child care centers” as a child care center that accepts child care subsidies, is licensed by the State of Texas, and certified by one or more of the following agencies: National Association for the Education of Young Children, National Accreditation Commission for Early Care and Education Programs, or a Four-Star rated Texas Rising Star program and (2) exempts qualified high quality child care centers from having to pay a food enterprise permit fee (also referred to as a food establishment permit fee).

Currently, Austin is home to 50 child care centers that fall within the definition of a qualified high quality child care center. Based on the City's Fiscal Year 2018-2019 Fee Schedule, 35 of the 50 qualified high quality child care centers require food establishment permits at a cost of \$445 for each center.

Consistent with the policy direction set forth in Resolution No. 20181004-036, approval of this item will exempt all qualified high quality child care centers from having to pay the food establishment permit fee. Approval of this item, however, will not change the frequency or manner in which the qualified high quality child care centers are inspected or permitted. The waiver of this food establishment permit fee will reduce the City's annual recovery of general fund revenues by approximately \$15,575 (35 centers at \$445 per center). (Please note that the related Item cites a full fiscal impact of \$21,075, which includes \$15,575 of unrealized revenue resulting from the food establishment permit fee exemption, plus an additional \$5,500 of unrealized revenue resulting from the general environment/license inspection fee exemption that is proposed by the related item.)