

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4384-01  
Bill No.: HB 2202  
Subject: Children and Minors; Licenses - Miscellaneous; Health and Senior Services  
 Department; Social Services Department  
Type: Original  
Date: February 28, 2020

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Bill Summary: This proposal modifies provisions relating to child care.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §§210.221 and 210.1080 - Child care provider licensing

Officials from the **Department of Health and Senior Services (DHSS)** state the proposed legislation removes the requirement of renewing of a license when expired and the stipulation that no license shall be granted for a term exceeding two years. The current license term is two years. The Division of Regulation and Licensure, Section for Child Care Regulation (SCCR) is responsible for licensing and inspecting child care facilities. Time saved from not renewing licenses would be transferred into core duties of conducting inspections, compliance monitoring, investigating complaints, enforcement and disciplinary actions, deliver training and technical assistance to child care providers, etc. The DHSS anticipates being able to absorb these costs. However, until the FY21 budget is final, the department cannot identify specific funding sources.

A non-expiring license would create a cost savings for the Child Care and Development Fund through the reduction in the number of Denial of Renewal certified letters mailed to child care programs who will no longer be in non-compliance with current child care regulations. SCCR processes and sends approximately 60 Denial of Renewal letters each month for an estimated 720 letters each year ( $60 \times 12 = 720$ ). It is assumed at a cost of \$8.32 per certified letter, the Child Care and Development Fund will realize a cost savings of approximately \$4,992 ( $\$8.32 \times 720 \times 10/12 = \$4,992$ ) for FY21, \$6,050 for FY22, and \$6,111 for FY23 (assuming a one percent increase each year for FY22 and FY23).

**Oversight** does not have any information to the contrary. Oversight assumes the savings to the DHSS Child Care and Development Fund to be minimal and will present no fiscal impact for this fund fiscal note purposes.

**Oversight** notes the **Department of Mental Health**, the **Department of Public Safety**, **Missouri State Highway Patrol** and the **Department of Social Services** have stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

**Oversight** contacted DSS officials regarding this proposal. DSS officials indicated this bill simply codifies the process that is currently being performed by the department and adds no additional duties to the DSS.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services  
Department of Public Safety -  
    Missouri State Highway Patrol  
Department of Social Services



Julie Morff  
Director  
February 28, 2020



Ross Strope  
Assistant Director  
February 28, 2020