

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4384-02
Bill No.: Perfected HCS for HB 2202
Subject: Children and Minors; Licenses - Miscellaneous.; Health and Senior Services
Department; Social Services Department
Type: Original
Date: March 19, 2020

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

FISCAL SUMMARY

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

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

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

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

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

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

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

FISCAL ANALYSIS

ASSUMPTION

§§210.201 - 210.254 and 210.1080 - Child care facilities

Officials from the **Department of Health and Senior Services (DHSS)** state §210.201(5) of the proposed legislation adds a definition for Montessori schools, which would require these programs to be accredited by the American Montessori Society (AMS) or the Association of Montessori International (AMI). §201.211.1(8) exempts accredited Montessori schools from the child care facility licensing requirements. Those not currently accredited would need to become accredited by either AMS or AMI, or the school would be required to become licensed.

The Division of Regulation and Licensure, Section for Child Care Regulation (SCCR) is responsible for licensing and inspecting child care facilities. Currently, SCCR has granted exemption determinations for approximately thirty-three Montessori schools in Missouri; however, only five of the thirty-three are currently accredited with AMS or AMI. It is unknown whether the remaining unaccredited schools will seek accreditation or licensure. However, any Montessori schools applying for licensure under the proposed legislation would fall under the same requirements as other licensed facilities and is within the normal ebb and flow for SCCR, so minimal time and expense will be required to conduct the requirements of the proposed legislation.

§ 210.221.1(1) of 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. 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 DHSS cannot identify specific funding sources.

A non-expiring license would create a cost savings to the Child Care and Development Fund through the reduction in the number of Denial of Renewal certified letters. Currently, these letters are mailed to child care programs that are in non-compliance with child care regulations. The proposed legislation removes this requirement, so these letters will no longer need to be sent. 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).

ASSUMPTION (continued)

Oversight does not have any information to the contrary. Oversight assumes the cost and savings estimated by the DHSS to be minimal and will reflect no fiscal impact to the department for fiscal note purposes.

Oversight notes 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 notes, in response to similar legislation from the current session (SB 925), the **Department of Public Safety, Division of Fire Safety** stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

<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

This proposal may have a fiscal impact on Montessori schools that would be required to become accredited or, if not accredited, licensed under the child care program.

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 -
 Division of Fire Safety
 Missouri State Highway Patrol
Department of Social Services



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March 19, 2020



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March 19, 2020