

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5196-04
Bill No.: HCS for HB 1323
Subject: Children and Minors; Social Services Dept.; Health Dept.
Type: Original
Date: February 24, 2012

Bill Summary: Establishes Sam Pratt's Law which authorizes the Department of Health and Senior Services to prohibit unlicensed child care providers from continuing to provide services if there are pending criminal charges.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	Unknown	Unknown	Unknown
Total Estimated Net Effect on FTE	Unknown	Unknown	Unknown

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** and **Department of Public Safety - Division of Fire Safety** assume the proposal will have no fiscal impact on their organizations.

In response to an earlier version of this proposal, officials from the **Mexico School District No. 59** and **Parkway School District** assumed the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Mental Health (DMH)** state the proposal places no obligations or requirements on th DMH that would result in a fiscal impact.

Officials from the **Office of Prosecution Services (OPS)** assume the proposal will have no measurable fiscal impact on the OPS. The creation of a new crime creates additional responsibilities for county prosecutors which may, in turn, result in additional costs, which are difficult to determine.

Oversight assumes the potential responsibilities imposed on county prosecutors as a result of this proposal, will be absorbable within current funding and staffing levels.

Officials from the **Department of Elementary and Secondary Education (DESE)** state there is no anticipated state cost to the foundation formula associated with this proposal. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to school districts increases the deduction in the foundation formula the following year. Therefore, the affected districts will see an equal decrease in the amount of funding received through the formula the following year unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

Oversight assumes any increase or decrease in fine or penalty revenues generated cannot be determined. Therefore, the fiscal note does not reflect any fine or penalty revenues for the local school districts.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are faced with the new crime of continuing to provide child care

ASSUMPTION (continued)

services following notification by the department to cease such child care services, a new Class B misdemeanor. Any second or subsequent violation of this section would be a new Class A misdemeanor.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Department of Corrections (DOC)** state the penalty provisions for violations, the component of the bill to have a potential fiscal impact for DOC, is for a class A misdemeanor. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Prolongation (FY 11 average of \$5.12 per offender, per day, or an annual cost of \$1,869 per offender).

The DOC assumes supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials at the **Department of Social Services** assume that while this bill will impact license exempt child care providers, the Children's Division does not anticipate a fiscal impact.

Officials from the **Department of Health and Senior Services (DHSS)** state:

Section 210.265

The proposed language in Section 210.265.2 authorizes DHSS, if notified of or if it discovers that a child care provider exempt from the licensure requirements of Sections 210.201 to 210.211 has any pending criminal charges for the abuse, neglect, or death of a child against such child care provider, to conduct an investigation of the child care provider in the same manner as such an investigation would occur for a licensed child care provider. This language also provides that child care programs maintained or under the exclusive control of a religious organization are exempt from this requirement.

ASSUMPTION (continued)

Chapter 210, RSMo, provides for numerous exemptions from licensure, including persons caring for four or fewer children who are not related to the provider within the third degree; school systems; and businesses that operate a child care program as a convenience to their customers or employees for more than four hours per day. This chapter also provides that religious programs operating a child care program are exempt from licensure; however they are required to be inspected for health and safety, fire safety, and sanitation annually. DHSS' Section for Child Care Regulation (SCCR) is not able to estimate the number of providers in these categories in order to estimate the number of potential investigations that may be required. The DHSS estimates the cost of conducting an investigation for a childcare facility to be approximately \$392 per inspection. However, since these individuals are exempt from licensure, the SCCR does not currently regulate or inspect these individuals.

Officials from the **Office of Attorney General** did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE FUND			
<u>§210.265</u>			
<u>Costs - Department of Health and Senior Services</u>			
Personal Service	(Unknown)	(Unknown)	(Unknown)
Fringe Benefits	(Unknown)	(Unknown)	(Unknown)
Equipment and Expense	(Unknown)	(Unknown)	(Unknown)
Program Costs	(Unknown)	(Unknown)	(Unknown)
Total <u>Costs</u> - DHSS	(Unknown)	(Unknown)	(Unknown)
FTE Change - DHSS	Unknown FTE	Unknown FTE	Unknown FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Net Estimated FTE Change on General Revenue Fund	Unknown	Unknown	Unknown

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal could impact small business child care providers that are prohibited from providing child care services because of pending criminal charges for abuse, neglect or death of a child.

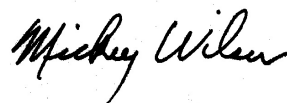
FISCAL DESCRIPTION

This proposal establishes Sam Pratt's Law which authorizes the Department of Health and Senior Services to investigate and prohibit an unlicensed child care provider from continuing to provide child care services if there are criminal charges pending against him or her for abuse, neglect or death of a child. However, these provisions do not apply to any child care provider maintained or operated by a religious organization. Any unlicensed child care provider who continues to provide services after notification by the department to cease will be guilty of a class B misdemeanor for the first violation and a class A misdemeanor for any subsequent violation. The department must report any known violation of these provisions to the appropriate prosecuting attorney's office or law enforcement agency.

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

Office of State Courts Administrator
Department of Elementary and Secondary Education
Department of Mental Health
Department of Corrections
Department of Health and Senior Services
Department of Social Services
Department of Public Safety -
 Division of Fire Safety
Office of Prosecution Services
Office of State Public Defender
Mexico School District No. 59
Parkway School District



L.R. No. 5196-04
Bill No. HCS for HB 1323
Page 7 of 7
February 24, 2012

Mickey Wilson, CPA
Director
February 24, 2012