

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6220-01  
Bill No.: SB 985  
Subject: Children and Minors; Children’s Division; Health and Senior Services  
 Department; Social Services Department  
Type: Original  
Date: March 2, 2018

Bill Summary: This proposal modifies provisions relating to background checks for child care providers.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(\$683,392)	(\$517,109)	(\$522,379)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$683,392)</b>	<b>(\$517,109)</b>	<b>(\$522,379)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Criminal Records System	\$524,572	\$629,486	\$629,486
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$524,572</b>	<b>\$629,486</b>	<b>\$629,486</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
General Revenue	8	8	8
<b>Total Estimated Net Effect on FTE</b>	<b>8</b>	<b>8</b>	<b>8</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### **§210.025 - Criminal background checks**

Officials from the **Department of Health and Senior Services (DHSS)** state the Child Care Development Block Grant (CCDBG) Reauthorization Act of 2014 Section 658H set out requirements for comprehensive criminal background checks. States are required to have policies and procedures in place by September 30, 2017. Missouri has been approved for a one year waiver, which expires September 30, 2018. After the one year waiver ends noncompliant states are subject to losing 5% of their total Child Care Development Fund (CCDF) monies. Missouri may be at risk of losing \$5.4 million in federal funding for child care.

The proposed legislation requires child care staff members, which includes all regulated (licensed and license-exempt) child care providers, persons employed by the child care provider for compensation, including contract employees or self-employed individuals; individuals or volunteers whose activities involve the care or supervision of children for a child care provider or unsupervised access to children who are cared for or supervised by a child care provider; or individuals residing in a family child care home who are age seventeen (17) and older to undergo criminal background checks and every five (5) years thereafter and an annual check of the central registry for child abuse in order to qualify for receipt of state or federal funds for providing child-care services.

DHSS estimates an additional 28,613 child care staff members will need a background check based on the capacities of regulated facilities and the staff/child ratio needed to maintain supervision. DHSS will require additional staff to implement the legislation.

**Health Program Representative II (6)** (\$35,640 annually, each): DHSS estimates that one Health Program Representative II (HPR II) is needed to process 4,000 background screenings and complete other additional responsibilities related to the direct processing of background screenings for regulated providers. Given the expectation,  $(28,613/4,000 = 7 \text{ FTE})$ , DHSS assumes 6 HPRs II will be needed.

**Health Program Representative III (1)** (\$39,704 annually): The Health Program Representative III will directly supervise the HPRs II. This position will provide direct daily oversight to HPRs II, ensure timely completion of background screenings, develop and maintain policy and procedural manuals, review and process submitted appeals, approve security access, coordinate with child care supervisors, and conduct quality assurance reviews for accuracy and timely completion of background screenings.

ASSUMPTION (continued)

**Senior Office Support Assistant (1)** (\$26,340 annually): A Senior Office Support Assistant will need to be hired whose primary duties will be to support the staff within the unit.

DHSS officials provided the response for the **Office of Administration (OA), Information Technology Services Division (ITSD)/DHSS**. ITSD states, for fiscal note purposes, it is assumed a project team consisting of a project manager, business analyst, senior developer and developer for a project duration of six (6) months will be needed. Modifications will need to be made to an existing system that is currently being maintained by ITSD and hosted in the State Data Center (SDC). It has been assumed for this project that a system to system interface will not be established with Missouri State Highway Patrol (MSHP) for communication of fingerprint criminal background check data.

ITSD assumes that every new IT project/system will be bid out because all ITSD resources are at full capacity. The current contract rate for IT consultants is \$75 per hour. It is estimated that contract consultants will need 2,536.92 hours to complete the project. One-time costs to the General Revenue (GR) Fund are estimated to be \$190,269 (2,536.92 \* \$75).

The **DHSS** estimates FY19 costs to the GR Fund, including ITSD costs, to be \$694,126; FY 20 costs to be \$530,311; and FY 21 costs to be \$535,911.

**Oversight** notes that in response to proposals from the current session in which agencies have indicated the need for additional space, officials from the **Office of Administration (OA), Division of Facilities Management, Design and Construction (FMDC)** state additional space in leased facilities for additional staff in the Cole County area is estimated at 230 sq. ft. per FTE times \$17.50 per sq. ft., or \$4,025 annually per FTE. These costs are building lease cost, fuel and utilities, and janitorial services. The assumption for the need for larger space and/or in other regions of the state, or possible new construction space, would be a higher cost per sq. ft. (estimated at \$24.50 per sq. ft.).

**Oversight** notes the DHSS used a lease cost for the additional rental space needed for eight (8) new FTE of \$21 per square foot. This is an average of the lease rates for the various regions in the state. Oversight reduced the average cost to \$17.50 per square foot (which includes utilities and janitorial services), the amount provided by OA, Facilities Management, Design and Construction.

Officials from the **Department of Public Safety (DPS), Missouri State Highway Patrol (MHP)** states section 210.025 requires that all child care providers be fingerprinted to receive state and/or federal funds. Currently, the Missouri State Highway Patrol Criminal Justice

ASSUMPTION (continued)

Information Services (CJIS) Division processes all state and federal fingerprint background checks. Based on Department of Health and Senior Services estimates, the MHP would be required to process 28,613 state and federal fingerprint-based criminal record checks for child care providers annually. The fees assessed for these background checks are as follows:

State fee:	\$20.00
FBI fee:	\$12.00
Applicant fingerprinting vendor fee:	<u>\$8.30</u>
Total fee per applicant:	\$40.30

Of these amounts, the state retains the \$20 state fee and \$2 of the federal charge of \$12 for a pass thru fee (\$22 total retained by the state). The \$8.30 charge is paid directly to the vendor at the time of application. All fees collected will be deposited in the Highway Patrol's Criminal Records System Fund.

Total fees added to the Highway Patrol's Criminal Records System Fund is estimated to be \$629,486 annually (\$22 \* 28,613).

**Bill as a whole**

Officials from the **Department of Mental Health**, the **Department of Social Services** and the **Office of Administration, Administrative Hearing Commission** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>GENERAL REVENUE FUND</b>			
<u>Costs - DHSS (\$210.1080)</u>			
Personal service	(\$233,237)	(\$282,683)	(\$285,510)
Fringe benefits	(\$141,191)	(\$170,261)	(\$171,100)
Equipment and expense	(\$118,695)	(\$64,165)	(\$65,769)
Computer system updates	<u>(\$190,269)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Costs - DHSS</u>	<u>(\$683,392)</u>	<u>(\$517,109)</u>	<u>(\$522,379)</u>
FTE Change - DHSS	8 FTE	8 FTE	8 FTE
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$683,392)</u></b>	<b><u>(\$517,109)</u></b>	<b><u>(\$522,379)</u></b>
Estimated Net FTE Change on the General Revenue Fund	8 FTE	8 FTE	8 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>CRIMINAL RECORDS SYSTEM FUND (#0671)</b>			
<u>Income - DPS (\$210.025)</u>			
Increase in background check fees	<u>\$524,572</u>	<u>\$629,486</u>	<u>\$629,486</u>
<b>ESTIMATED NET EFFECT ON THE CRIMINAL RECORDS SYSTEM FUND</b>			
	<b><u>\$524,572</u></b>	<b><u>\$629,486</u></b>	<b><u>\$629,486</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

This proposal would have a direct fiscal impact on small business child care providers. Applicant child care staff members, individuals or volunteers whose activities involve the care or supervision of children and individuals in a family child care home age 17 or older will be required to undergo a criminal background check. Costs are to be paid for by the applicant but child care providers may pay the background check fee. In addition, prospective staff members may begin work for a provider, pending completion of the background check, but must be supervised at all times by another child care staff member who has received a qualifying background check. This may increase child care provider costs.

FISCAL DESCRIPTION

This act modifies existing law regarding background checks for child care providers receiving federal or state funds for providing child care services. An applicant provider, persons employed by the provider, and other individuals and volunteers involved in caring for children for the provider or who are 17 or older and reside in the provider's child care home shall be required to submit to a background check prior to the application's approval and every 5 years thereafter, as well as submit to an annual check of the central registry for child abuse.

FISCAL DESCRIPTION (continued)

Prior to employment in a family child care home, a group child care home, a child care center, or a license-exempt child care facility, the child care provider shall request the results of a criminal background check for the individual from the Department of Health and Senior Services. Prospective staff members may begin working as soon as the background check has been requested, but shall be supervised at all times. Current staff members shall have background checks performed by January 31, 2019. A staff member shall be ineligible for employment or adult household member shall be ineligible to stay in a family child care home if the staff member or household member refuses to consent to the background check, knowingly makes a false statement in connection with the check, is registered or required to be registered as a sex offender, has a finding of child abuse and neglect, or has been convicted of certain felonies or violent misdemeanors.

A child care provider shall not be required to submit a request for a criminal background check if the staff member has received such a check within the past five years while employed with a Missouri child care provider and the Department of Health and Senior Services provided the results of the check to that provider.

The Department shall process the background check request as soon as possible, but not to exceed 45 days following the request. The Department shall provide the child care provider information on the staff member or adult household member's eligibility, but shall not reveal to the provider any information on the reason for disqualification. However, the Department shall provide such reason for disqualification to the staff member or adult household member, as well as include information about the process to appeal the Department's decision.

Finally, this act repeals provisions of current law prohibiting the Department of Health and Senior Services from interfering with the selection of license-exempt religious child care facility personnel or individuals sitting on governing boards.

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

SOURCES OF INFORMATION

Department of Health and Senior Services  
Department of Mental Health  
Department of Social Services  
Department of Public Safety -  
    Missouri State Highway Patrol  
Office of Administration -  
    Administrative Hearing Commission

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope", with a stylized flourish at the end.

Acting Director  
March 2, 2018