

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0978S.01I
Bill No.: SB 132
Subject: Children and Minors; Health and Senior Services, Department of
Type: Original
Date: March 1, 2021

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Federal*	\$0 or (\$6,486,174)	\$0 or (\$6,486,174)	\$0 or (\$6,486,174)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 or (\$6,486,174)	\$0 or (\$6,486,174)	\$0 or (\$6,486,174)

* Potential loss due to non-compliance with CCDF program requirements.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§210.211 – In-home child care facility exemption for related children

Officials from the **Department of Social Services (DSS), Children’s Division (CD)** state this language was previously in statute and is being added back in. If related children of LLC’s (Limited Liability Corporations) and Corporations are not counted in the total number of children cared for, this would result in the state not being in compliance with Child Care Development Block Grant (CCDBG) regulations. Federal regulations require that there must be defined staff/child ratios and a defined total group number.

For example, if a family based child care provider is licensed for 10 and the provider cares for her own 2 children, then the group size would have to be at least 12. The group number may be any number as long as it is defined.

The fiscal impact of this proposal would be a loss of 4% of Child Care Development Funds (CCDF) due to being out of compliance with federal regulations and to continue funding at the current level would require additional General Revenue funding. Current federal CCDF funding is \$162,154,354. A 4% reduction in funding would equal \$6,486,174 annually.

Officials from the **Department of Health and Senior Services** assume the proposal will have no 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.

Oversight notes, in response to similar legislation from 2020 (HB 1257), DHSS was contacted for additional information. DHSS stated “the Child Care Development Fund requires states to outline a ratio of the number of children to caregivers to comply with federal requirements. The language in §210.221.4 allows for an unlimited number of children related to the provider in addition to the number of unrelated children. Because there is not a limit on the number of related children, Missouri would not have a defined staff/child ratio.” It is assumed not having a staff/child ratio would cause noncompliance with the federal program.

Oversight is unsure if Missouri will be determined to be noncompliant (and funding withheld). Therefore, for fiscal note purposes, Oversight will present DSS’ potential anticipated loss of CCDF funding as \$0 (no federal funding withheld) or a loss of \$6,486,174 in federal funds annually.

This proposal contains an emergency clause.

<u>FISCAL IMPACT - State Government</u>	FY 2021	FY 2022	FY 2023
FEDERAL FUNDS			
<u>Loss - DSS (§210.211) - Non-compliance with CCDF program requirements</u>	<u>\$0 or</u> <u>(\$6,486,174)</u>	<u>\$0 or</u> <u>(\$6,486,174)</u>	<u>\$0 or</u> <u>(\$6,486,174)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0 or</u> <u>(\$6,486,174)</u>	<u>\$0 or</u> <u>(\$6,486,174)</u>	<u>\$0 or</u> <u>(\$6,486,174)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This proposal may impact small business child-care facilities organized as business entities. (§210.221)

FISCAL DESCRIPTION

This act excludes from the number of children counted toward the maximum number of children for which a child care facility is licensed those children who are related within the third degree of consanguinity or affinity to a child care provider who is responsible for the daily operation of an in-home licensed child care facility organized as a legal entity in Missouri. If more than one member of the legal entity is responsible for the daily operation of the facility, then the related children of only one such member shall be excluded.

This act has an emergency clause.

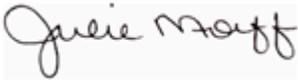
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Social Services



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March 1, 2021



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March 1, 2021