

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 3027-01  
BILL NO.: SB 724  
SUBJECT: Children and Minors; Licenses - Miscellaneous  
TYPE: Original  
DATE: February 4, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$109,111)	(\$118,122)	(\$121,098)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$109,111)</b>	<b>(\$118,122)</b>	<b>(\$121,098)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Federal Fund	(\$25,351)	(\$25,728)	(\$26,377)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(\$25,351)</b>	<b>(\$25,728)</b>	<b>(\$26,377)</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

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**FISCAL ANALYSIS**

ASSUMPTION

Officials of the **Department of Health and Senior Services** stated that this proposal would not fiscally impact their agency.

Officials of the **Department of Mental Health (DMH)** stated that this proposal would not have significant effects on their agency if: the system of registration is developed and administered through the Department of Social Services, compliance with sanitation requirements of Department of Health and Senior Services will be monitored by that agency, and the Department of Public Safety's Division of Fire Safety continues to recognize and survey providers based on DMH fire safety rules for affected types of providers.

Officials of the **Department of Social Services (DOS) - Division of Family Services** would request two additional FTE ( a Regional Licensing Consultant and a Clerk/Typist III) to their residential program unit, which consists of six professional staff and two support staff. This estimate is based on the number of facilities registered as privately operated schools, medical facilities or private non-business placements of children; the number of residential child care facilities and private child placing agencies licensed by the Division; the number of residential care facilities operated in conjunction with education programs recognized by the Department of Elementary and Secondary Education; the number of camps, hospitals and sanitariums providing recreation, medical treatment, or convalescence for youth; the number of agencies operated or licensed by the Department of Mental Health; the number of foster home arrangement, residential care facilities, and child placing agencies operated by well-known religious orders or churches; and, the number of institutions or agencies maintained or operated by the state, a county or a city.

Division officials checked with the agencies which register and accredit private schools. They have accredited 126 schools and the number is rising slightly each year. The accrediting agencies reported that they receive inquiries about unaccredited schools. These schools would not meet agency standards for accrediting or Department of Elementary and Secondary Education standards.

Department of Health and Senior Services officials are aware of five (5) facilities which provide medical treatment, nursing, or convalescent services solely for children, however, they do not have a record of all these facilities in Missouri.

Division of Family Services officials could not find any reliable numbers of persons "who receive free of charge, and not as a business, for periods of time not exceeding ninety

consecutive days, the child of personal friends of such person as an occasional and personal guest, and who receives custody of no other unrelated child". They estimate the number at less than 100 at any ASSUMPTION (continued)

given time. They think most children who might fall in this category would be raised by grandparents or other relatives.

The Department of Mental Health's Divisions of Comprehensive Psychiatric Services and Mental Retardation/Developmental Disabilities (MRDD) license 143 Family Living Arrangement homes as the equivalent of foster homes or family treatment homes. The Department also licenses 20 Day Programs. The Division of Alcohol and Drug Abuse has nine certified Adolescent Residential Care Providers. MRDD certifies placements for children in the Medicaid Waiver program (34, currently).

Division of Family Services officials estimate that there are ten foster home arrangements and residential child care agencies established and operated by well-known religious orders or churches. Churches and orders usually choose to be licensed or be approved as a child-placing agency by the Division; therefore, most of the aforementioned agencies show up elsewhere in Division listings.

The Division of Youth Services operates 31 residential facilities with capacity to serve 716 persons and 11 day treatment facilities with 255 slots for services.

Division of Family Services officials therefore estimate that they would need to verify accreditation of 126 private schools and verify compliance with Department of Health and Senior Services sanitation standards and Department of Public Safety - Division of Fire Safety fire code standards for these schools and for about 373 other agencies as noted above. These 509 entities would not receive the same level of scrutiny as the 155 residential child care agencies and 71 private child-placing agencies currently license by the division; however, verifications required are expected to involve some site visitations and a great deal of review and verification of reports.

Costs would be apportioned 74.7% general revenue and 25.3% federal funds.

**Oversight** assume personnel would be located in existing facilities and has not allowed costs for rent or additional utilities.

Officials of the **Department of Public Safety - Division of Fire Safety** stated that, based on the Division of Family Services' estimate that Fire Safety would have 489 additional inspection per year, they would request an additional Fire Safety Inspector.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>GENERAL REVENUE FUND</b>			
<u>Cost - Department of Social Services</u>			
Personal Service (1.5 FTE)	(\$42,392)	(\$52,163)	(\$53,467)
Fringe Benefits	(\$15,261)	(\$18,779)	(\$19,248)
Expense and Equipment	<u>(\$17,081)</u>	<u>(\$4,898)</u>	<u>(\$5,044)</u>
Administrative Costs to DOS	(\$74,734)	(\$75,840)	(\$77,759)
 <u>Cost - Department of Public Safety</u>			
Personal Service (1 FTE)	(\$25,277)	(\$31,090)	(\$31,867)
Fringe Benefits	(\$9,100)	(\$11,192)	(\$11,472)
Expense and Equipment	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Administrative Cost to DPS	(\$34,377)	(\$42,282)	(\$43,339)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$109,111)</u></b>	<b><u>(\$118,122)</u></b>	<b><u>(\$121,098)</u></b>
 <b>FEDERAL FUNDS</b>			
<u>Cost - Department of Social Services</u>			
Personal Service (.5 FTE)	(\$14,380)	(\$17,695)	(\$18,137)
Fringe Benefits	(\$5,177)	(\$6,370)	(\$6,529)
Expense and Equipment	<u>(\$5,794)</u>	<u>(\$1,663)</u>	<u>(\$1,711)</u>
Administrative Costs	(\$25,351)	(\$25,728)	(\$26,377)
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>(\$25,351)</u></b>	<b><u>(\$25,728)</u></b>	<b><u>(\$26,377)</u></b>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

Small businesses could be fiscally affected to the extent that they would incur additional administrative costs for licensing and/or additional accreditation costs due to the requirements of

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this proposal.

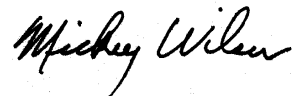
DESCRIPTION

This proposal would condition exemptions from state licensing requirements for residential facilities for children on an exempt facility being licensed by a nationally recognized organization or on the facility being registered with the Department of Social Service's Division of Family Services and showing proof of compliance with all Department of Health and Senior Services sanitation standards and compliance with fire code standards recognized by the Department of Public Safety's Division of Fire Safety.

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

SOURCES OF INFORMATION

Department of Health and Senior Services  
Department of Social Services  
Department of Public Safety



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Acting Director  
February 4, 2002