

COMMITTEE ON LEGISLATIVE RESEARCH  
 OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4215-01  
Bill No.: SB 1068  
Subject: Children and Minors; Health Dept.; Consumer Protection  
Type: Original  
Date: February 15, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
General Revenue	(\$30,168)	(\$37,288)	(\$38,406)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$30,168)</b>	<b>(\$37,288)</b>	<b>(\$38,406)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
<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.

**FISCAL ANALYSIS**

## ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** state this bill would require the Department of Health and Senior Services to promulgate rules pertaining to quarterly inspections of child care facilities. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Health and Senior Services could require as many as 6 pages in the *Code of State Regulations*. For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$369 [(6 pp x \$27) + (9 pp x \$23)].

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Health and Senior Services (DOH)** stated the DOH must provide child care providers a comprehensive list of children's products that have been identified by the Consumer Product Safety Commission (CPSC) as unsafe by July 1, 2003, and quarterly thereafter. As this information is available on the CPSC website, and existing staff can obtain this information, there will be no additional costs to the DOH for this requirement. The costs for copying and mailing this information to child care providers are as follows:

**Copying costs:** Based on a review of CPSC recall statements, the average number of recalls affecting children is estimated to be eleven (11) per month. Therefore, it would be necessary to mail an average of 28 pages to each child care provider for each month. The copies can be two-sided. Therefore, there would be an average of 14 pages that must be mailed to each child care provider per month. The cost for two-sided copying is \$.045 per copy for a total of \$0.63 (\$.045 x 14) monthly copying costs for each child care provider. As the information must be provided quarterly, the copying costs for each child care provider quarterly would be \$1.89.

There are 3,777 child care providers. Therefore, the total quarterly copying costs would be \$7,139 (\$1.89 x 3,777). The annual copying costs would be \$28,556 (4 x \$7,139).

## ASSUMPTION (continued)

**Costs for Stuffing Envelopes:** It would be necessary to contract with another agency to stuff the

envelopes. The rate for stuffing envelopes is \$.05 per envelope. There are 3,777 child care facilities. Therefore, the costs for stuffing the envelopes would be \$189 quarterly ( $$.05 \times 3,777$ ) and \$756 annually ( $4 \times \$189$ ).

**Mailing Costs:** It would be necessary to mail 3,777 envelopes containing the CPSC recall statements to child care providers quarterly. The cost for mailing each envelope (bulk rate) is \$0.4560 per envelope or \$1,722 for each quarterly mailing ( $\$0.4560 \times 3,777$ ). The annual mailing cost would be \$6,889 ( $4 \times \$1,722$ ).

**Total costs:** The total annual costs to copy the materials, stuff the envelopes, and mail the materials to child care providers would be \$36,201 ( $\$28,556 + \$756 + \$6,889 = \$36,201$ ).

Child care staff must document each facility's compliance with past signed and dated notification forms during regular inspections, and instruct child care providers to dispose of all unsafe children's products. As this can be accomplished during regular inspections, there are no additional costs to the DOH for this purpose.

Finally, this legislation would require one (1.00) clerk typist II to obtain information from the CPSC website; determine which recall statements pose a threat to children and eliminate those that don't; prepare copies and submit to child care staff and supervisors who will monitor them for compliance; manage the contract for stuffing the envelopes; assemble the materials for submission to the contractor who will stuff the envelopes; obtain the packet from the contractor and prepare for mailing; handle complaints and problems that arise from providing and mailing the information to child care providers; track the recall statements that have been submitted to child care providers in order to monitor them appropriately; and work closely with supervisors and staff to ensure efficient monitoring of the recall statements.

**Oversight** assumes the DOH could absorb the additional work with existing staff resources. However, if the number of quarterly mailings were to increase significantly, the DOH may need to request additional staff through the appropriations process.

FISCAL IMPACT - State Government

FY 2003  
(10 Mo.)

FY 2004

FY 2005

**GENERAL REVENUE FUND**

Costs - Department of Health and Senior Services

HW-C:LR:OD (12/01)

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
Printing and Mailing Costs	<u>(\$30,168)</u>	<u>(\$37,288)</u>	<u>(\$38,406)</u>
Total <u>Cost</u> - Department of Health and Senior Services	<u>(\$30,168)</u>	<u>(\$37,288)</u>	<u>(\$38,406)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$30,168)</u></b>	<b><u>(\$37,288)</u></b>	<b><u>(\$38,406)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposed legislation could have a negative fiscal impact on small business child care centers as they would be required to remove unsafe children's products from their facilities. The net fiscal impact is unknown.

DESCRIPTION

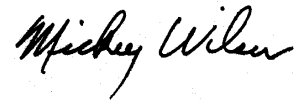
This act requires the Department of Health and Senior Services to provide child care facilities with a comprehensive list of unsafe children's products. A new Section 210.1007 is created and requires initial notification for facilities on or before July 1, 2003, and quarterly thereafter. The Department must provide a comprehensive list of children's products which have been identified as unsafe by the Children's Product Safety Commission.

Upon notification, a facility must inspect its premises and immediately dispose of any unsafe products. The inspection must be documented by signing and dating the notification form and maintaining the form in the facility's files. During regular inspections, the department must document the facility's notification forms. If the Department discovers an unsafe product, the facility must be instructed to dispose of it immediately. If a facility fails to dispose of a product after notice is given, it will be a violation under the inspection. The Department may promulgate rules for the implementation of this section.

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 the Secretary of State  
 Department of Health and Senior Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, slightly slanted style.

Mickey Wilson, CPA  
Acting Director  
February 15, 2002