

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1475-01
Bill No.: HB 1058
Subject: Children and Minors; Health and Senior Services Department; Insurance - General
Type: Original
Date: April 6, 2017

Bill Summary: This proposal requires licensed child care facilities to report to the Department of Health and Senior Services and update annually their current liability insurance coverage information.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services (DHSS), Division of Regulation and Licensure (DRL)** assumes the current staffing levels within the Section for Child Care Regulation would be adequate to fulfill the requirements of this legislation.

The DHSS would require the assistance of the **Office of Administration (OA), Information Technology Services Division (ITSD)** to provide modification(s) to the existing application to include liability insurance coverage information, to include name, address, and telephone number of the facility's liability insurance carrier, which is to be reported annually to DHSS for each child care facility. Modification(s) will be to an existing system, so no new ongoing maintenance is required.

ITSD assumes that every new IT project/system will be bid out because all ITSD resources are at full capacity. ITSD assumes the provisions of this proposal will require 155.52 hours of consultant time at the contract rate of \$75 per hour for a total one-time cost of \$11,664 to the General Revenue Fund.

Oversight assumes the OA, ITSD/DHSS can absorb this one-time, minimal cost within current funding levels.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** assume the proposal would not fiscally impact their agency.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal will have a minor administrative and fiscal impact on small business daycare providers as they will be required to provide information to the DHSS on an annual basis regarding their liability insurance coverage.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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

Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Joint Committee on Administrative Rules
Office of Secretary of State

L.R. No. 1475-01
Bill No. HB 1058
Page 5 of 5
April 6, 2017

Mickey Wilson, CPA

Director
April 6, 2017

A handwritten signature in black ink, appearing to read "Ross Strope".

Ross Strope
Assistant Director
April 6, 2017