

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0263H.04C  
Bill No.: HCS for HB 32  
Subject: Children and Minors; Licenses - Miscellaneous  
Type: Original  
Date: February 26, 2021

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Bill Summary: This proposal adds provisions relating to licensed child care facilities.

**FISCAL SUMMARY**

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

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

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Income and expenses less than \$100,000 annually and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Federal	1 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>

- 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.

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

## FISCAL ANALYSIS

### ASSUMPTION

#### §210.211 – Licensed child care facilities

Officials from the **Department of Social Services (DSS)** state this bill allows children who are five years of age or older and who are related within the second degree of consanguinity or affinity to, adopted by, or under court appointed guardianship or legal custody of a child care provider who is responsible for the daily operation a licensed family child care facility or group child care facility that is organized as a corporation, association, firm, partnership, limited liability company, sole proprietorship, or any other type of business entity in this state shall not be included in the number of children counted toward the maximum number of children for which the facility is licensed under §210.221.

Child Care Development Fund (CCDF) providers who provide care to related and non-related children do not have to count the related children in the ratios.

Implementation will require system changes, form changes, amendments to over a thousand provider agreements, changes to the state plan and website, and education for providers and parents. CD will need one (1) FTE Program Specialist (at \$42,654 annually) to perform these tasks.

**Oversight** assumes DSS would not need additional rental space and associated utilities and janitorial expenses for 1 new FTE for this single proposal. However, Oversight notes, depending on the number of proposals passed during the legislative session that, cumulatively, DSS may need additional rental space or capital improvements as determined by the Office of Administration, Facilities Management, Design and Construction.

Officials from the **Department of Health and Senior Services**, the **Department of Public Safety – Division of Fire Safety** and the **Office of Administration – Information Technology Services Division/DSS** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

#### Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize 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 our office can sustain with our core budget. Therefore, they reserve 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.

<u>FISCAL IMPACT – State Government</u>	FY 2022	FY 2023	FY 2024
<b>FEDERAL FUNDS</b>			
<u>Income – DSS</u> (\$210.211) – Program reimbursements	\$80,602	\$73,280	\$73,900
<u>Costs – DSS</u> (\$210.211)			
Personal service	(\$42,654)	(\$43,081)	(\$43,511)
Fringe benefits	(\$28,175)	(\$28,316)	(\$28,459)
Equipment & expense	(\$9,773)	(\$1,883)	(\$1,930)
<u>Total Costs – DSS</u>	<u>(\$80,602)</u>	<u>(\$73,280)</u>	<u>(\$73,900)</u>
FTE Change – DSS	1 FTE	1 FTE	1 FTE
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
Estimated Net FTE Change on Federal Funds	1 FTE	1 FTE	1 FTE

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

FISCAL IMPACT – Small Business

This proposal could have a direct financial impact on small business child care providers.  
 (§210.211)

FISCAL DESCRIPTION

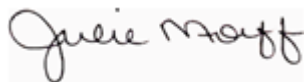
This legislation provides that children five years of age and older who are related to a child care provider responsible for the daily operation of a licensed family child care facility or group child care facility that is organized as a corporation, association, firm, partnership, limited liability company, sole proprietorship, or any other type of business entity shall not be included in the number of children counted toward the maximum number of children for which the facility is licensed under section 210.221. If more than one member of the organization is responsible for the daily operation of the facility, the related children of only one such member shall be excluded. (§210.211)

This proposal 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.

SOURCES OF INFORMATION

Department of Health and Senior Services  
Department of Public Safety – Division of Fire Safety  
Department of Social Services  
Joint Committee on Administrative Rules  
Office of Administration – Information Technology Services Division/DSS  
Office of the Secretary of State



Julie Morff  
Director  
February 26, 2021



Ross Strobe  
Assistant Director  
February 26, 2021