

CONCISE SUMMARY OF ECONOMIC IMPACT STATEMENT
STATE OF MISSISSIPPI
Mississippi State Department of Health
Child Care Facilities Licensure Division

Mississippi State Department of Health
c/o Vickey Maddox
PO Box 1700
Jackson, MS 39215-1700
601-634-1100
vickey.maddox@msdh.state.ms.us

Specific Legal Authority Authorizing the promulgation of Rule: During its regular session of 2008, SB2451 was passed by the Mississippi Legislature and signed into law by Governor Haley Barbour authorizing the Mississippi State Department of Health (MSDH) to increase Child Care Facility License fees not to exceed four hundred dollars (\$400.00), i.e. §43-20-11 and §43-20-13.

Reference to Rules repealed, amended or suspended by the Proposed Rule: Rule amended sets licensure and renewal of license fees as stated in Section 2-4 License Fee of the *Regulations Governing Licensure of Child Care Facilities for 12 or Fewer Children in the Operators Home*. Based on a progressive license fee schedule based on the licensed capacity of each child care facility licensed operators can expect to have their annual license fee increased in the range of \$25 to \$200 per year.

An Economic Impact Statement is required for this proposed rule by Section 25-43-3.105 of the Administrative Procedures Law. This is a Concise Summary of the Economic Impact Statement which must be filed with the Notice of Proposed Rule Adoption in the Secretary of State's Office. The full text of the Economic Impact Statement may be obtained from the agency contact person at the above address.

Persons may present their views by submitting written comments on the proposed rule adoption to the agency contact person at the above address. Additional information on where, when and how persons may present their views or demand an oral proceeding on the proposed rule are included in the Notice of Proposed Rule Adoption to which this is attached.

a. Description of the need for and the benefits of the proposed rule:

It is projected that in FY2010 the budget in the Child Care Facilities Licensure Division will experience a shortfall of approximately \$168,000. The revenue generated from the increased licensure fees is projected to provide an additional \$100,000 in revenue after the first full year of implementation. The additional revenue generated will ameliorate the expected shortfall in the budget.

b. Cost estimate to the agency and other state or local government entities:

The will not be an increase in paperwork associated with the fee increase. In addition, there is no expected cost to the agency or other state or local government associated with implementing the fee increases because these entities are exempted from paying licensing fees.

c. Estimate of the cost or economic benefit to all persons:

Based on a progressive license fee schedule based on the licensed capacity of each child care facility licensed operators can expect to have their annual license fee increased in the range of \$25 to \$200 per year. The fee increase will allow the MSDH to retain staff that inspect licensed facilities, investigate complaints, and provide training and technical assistance to providers.

d. Analysis of the impact on small business:

The increase in fees will have a minimum impact on small operators. Example, for a small provider licensed for 12 children the increase in operational cost will be approximately \$0.48 a week for a total of \$25.00 a year. For a medium-large sized facility licensed for 100 children, the cost will be approximately \$2.21 per week for a total of \$115.00 a year.

e. Comparison of the costs and benefits of the proposed rule to the probable costs and benefits of not adopting the rule:

In FY2010 the MSDH could be faced with having to enact a RIF related to the staff employed in the child care licensure unit. The resulting reduction in staff would seriously impair the Division for meeting its fiduciary responsibilities of regulating child care facilities as mandated under § 43-21-1 et seq.

f. Determination as to whether less costly or less intrusive methods exist to achieve the purpose of the rule:
It has been determined that a direct appropriation by the Mississippi Legislature that would cover the expenses of operating the child care facility licensure program would eliminate the need for a fee increase. NOTE: Since Mississippi Legislature first required the licensing of child care facilities in 1972 the Legislature has never appropriated any funds to cover the cost of administering the licensure program.

g. Description of reasonable alternative methods and reasons for rejection of the alternative methods:
The MSDH in 2008 requested the Mississippi Legislature to fund fully the child care licensing program. However, the Legislature failed to do so. There are no other reasonable alternative methods to lessen the projected FY2010 budget shortfall.

f. Data and methodology in making the estimates in the economic impact statement:
The projected income from the proposed fee increase was generated by multiplying the number of currently licensed facilities in each of six (6) facility size categories by the proposed fee amount. Then the amount that is currently generated from fees was subtracted from the projected total. The resulting amount is what is projected to the net increase from the fee increase. The exact amounts used are as follows:

Licensed Capacity	Number of Facilities	Proposed Fee	Est. Projected Income
12 or fewer	49	\$ 75.00	\$ 3,675
13-30	339	150.00	50,850
31-50	401	200.00	80,200
51-100	559	300.00	167,700
100-150	222	350.00	77,000
151 or greater	180	400.00	72,000
Total	1,750		\$451,425

Projected total = \$451,425.00
 Approx. fees currently collected = (351,425.00)
 Net projected increase = **\$100,000.00**

Date Rule Proposed: 8 October 2008

Proposed Effective Date of Rule: 1 February 2009


 Signature and Title of Person Submitting Rule for Filing

SOS FORM APA 004
 Effective Date 07/29/2005