



DELBERT HOSEMANN
Secretary of State

ECONOMIC IMPACT STATEMENT

An Economic Impact Statement is required for this proposed rule by Section 25-43-3.105 of the Administrative Procedures Act. An Economic Impact Statement must be attached to this Form and address the factors below. A PDF document containing this executed Form and the Economic Impact Statement must be filed with any proposed rule, if required by the aforementioned statute.

AGENCY NAME Mississippi State Department of Health	CONTACT PERSON Jim Craig	TELEPHONE NUMBER 601-576-7847
ADDRESS PO Box 1700/570 E Woodrow Wilson Blvd.	CITY Jackson	STATE MS
EMAIL ingrid.williams@msdh.ms.gov	DESCRIPTIVE TITLE OF PROPOSED RULE Regulations Governing Licensure of Child Care Facilities and Regulations Governing Licensure of Child Care Facilities for 12 or Fewer Children in the Operator's Home	
Specific Legal Authority Authorizing the promulgation of Rule: Section 43-20-8	Reference to Rules repealed, amended or suspended by the Proposed Rule: SEE ATTACHED	

SIGNATURE 	TITLE Senior Deputy, Director of Health Protection
DATE 8/8/19	PROPOSED EFFECTIVE DATE OF RULE 1/1/20

1. Describe the need for the proposed action:

To protect the health, safety, and well-being of the children cared for in licensed child care facilities.

2. Describe the benefits which will likely accrue as the result of the proposed action:

Increased funding will allow for an expansion of training and technical assistance that will be provided by Child Care Licensure staff. Additionally, funding will be used to implement an enhanced electronic inspection and monitoring system. Child Care providers will benefit because of additional training that can be provided by the Child Care Licensing program. Additional training topics will include emergency preparedness, nutritional guidelines, menu writing, age-targeted regulations, meeting the developmental needs of children in a group setting, effective discipline for young children, and managing child care programs. Enhanced onsite technical assistance will be given to providers that will focus on maintaining compliance with the child care licensing regulations by eliminating systematic problems within their programs.

The children cared for in licensed facilities will benefit by being cared for by better educated caregivers. Children will be enrolled in healthier and safer child care environments which will better meet their educational and developmental needs.

The parents of children cared for in licensed child care facilities and the public at large will benefit because of knowing that the children being cared for are in a healthy and safe environment. The enhanced electronic inspection and monitoring system will provide parents with a user-friendly online search system that allows parents to easily view inspections of child care facilities. Using this information, parents will be able to make better informed decisions regarding the care their children receive by licensed child care providers.

3. Describe the effect the proposed action will have on the public health, safety, and welfare:

The overall health, safety, and welfare of children cared for in licensed child care facilities will be improved and enhanced.

Safer and higher quality child care services in the State of Mississippi.

The parents of children cared for in licensed child care facilities and the public at large will benefit because of knowing that the children being cared for are in a healthy and safe environment.

4. Estimate the cost to the agency and to any other state or local government entities, of implementing and enforcing the proposed action, including the estimated amount of paperwork, and any anticipated effect on state or local revenues:

There will be no additional cost to other state or local government entities. There will be no increase in paperwork and no effect on local revenues. There will be an increase in revenue in the child care licensing program.

5. Estimate the cost or economic benefit to all persons directly affected by the proposed action:

- a. Cost:

Using the established 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 \$22.50 to \$120.00 per year. The fee increase will help the MSDH maintain the Child Care Licensing program that inspects licensed facilities, investigate complaints, and provide training and technical assistance to providers.

The estimated increase in revenue to the Child Care Licensing program is expected to be ≈\$119,932.50 per licensure period. This amount is based on the 1,481 child care facilities and programs currently licensed by the MSDH.

- b. Economic Benefit:

Higher quality child care programs in the state will enhance competition within the field. An increase in safer high quality licensed programs could be expected.

6. Provide an analysis of the impact of the proposed rule on small business: See 5 above.

a. Identify and estimate the number of small businesses subject to the proposed regulation:

1,481 licensed child care providers

b. Provide the projected reporting, recordkeeping, and other administrative costs required for compliance with the proposed regulation, including the type of professional skills necessary for the preparation of the report or record:

The Mississippi State Department of Health is the licensing authority for child care facilities and the reporting, recordkeeping and other administrative costs will be absorbed in the current child care facilities licensure budget.

c. State the probable effect on impacted small businesses:

Higher quality of services provided by licensed child care providers, which could enhance the gross income from their business. Fewer violations of the child care licensing regulations.

d. Describe any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation including the following regulatory flexibility analysis:

- i. The establishment of less stringent compliance or reporting requirements for small businesses;
- ii. The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
- iii. The consolidation or simplification of compliance or reporting requirements for small businesses;
- iv. The establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and
- v. The exemption of some or all small businesses from all or any part of the requirements contained in the proposed regulations:

It has been determined that a direct appropriation by the Mississippi Legislature that would sufficiently cover the expenses of operating a quality 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 sufficient funds to cover completely the cost of administering and staffing the child care licensure program at a level to meet national benchmarks.

7. Compare the costs and benefits of the proposed rule to the probable costs and benefits of not adopting the proposed rule or significantly amending an existing rule:

The cost to providers will not be significantly different if the proposed rule is not adopted. The fee increase constitutes a minuscule expense when compared with the overall operational budget

and gross income of a child care facility program. However, the previously stated benefits that can be expected with the implementation of the fee increase probably will not be realized.

8. Determine whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rule where reasonable alternative methods exist which are not precluded by law:

It has been determined that there are no less costly methods for achieving the purpose of the proposed rule. Historically, the Mississippi Legislature has not funded the child care licensing program at a level sufficient to establish and maintain it at the highest level of quality.

9. Describe reasonable alternative methods, where applicable, for achieving the purpose of the proposed action which were considered by the agency:

There are no other reasonable alternative methods.

10. State reasons for rejecting alternative methods that were described in #9 above:

N/A

11. Provide a detailed statement of the data and methodology used in making estimates required by this subsection:

A review of the House Bill NO. 289 (Mississippi State Legislature Regular Session 2016) authorizing the fee increase was undertaken. The current license fee structure was studied. The current and projected areas of the child care licensing program were studied. After the assessment of all information, estimates were made.

The increase in fees will have a minimum impact on child care facility operators. For a small provider licensed for 12 children, the cost will be approximately \$0.43 a week for a total of \$22.50 a year. For a medium-sized facility licensed for 51-100 children, the cost will be approximately \$1.73 per week for a total of \$90.00 a year. For a large-sized facility licensed for 151 or more children, the cost will be approximately \$2.30 per week for a total of \$120.00 a year.

Licensed Capacity	Amount of Fee Increase per Year	Cost to Facility per Week
12 or fewer	\$ 22.50	\$0.4325
13-30	\$ 45.00	\$0.8654
31-50	\$ 60.00	\$1.1540
51-100	\$ 90.00	\$1.7307
100-150	\$105.00	\$2.0192
151 or greater	\$120.00	\$2.3077

Attachment

Regulations Governing Licensure of Child Care Facilities - Rule to be Amended

Rule 1.2.4 License Fee:

Regulations Governing Licensure of Child Care Facilities for 12 or Fewer Children in the Operator's Home - Rule to be Amended

Rule 2.2.4 License Fee:
