

Fiscal Estimate Narratives

DHFS 1/10/2006

LRB Number	05-1911/2	Introduction Number	SB-454	Estimate Type	Original
Description Regulation of unsafe children's products, extending the time limit for and providing an exemption from emergency rule procedures, requiring the exercise of rule-making authority, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

This bill regulates the sale by commercial suppliers of products that are designed principally for the care of, or use by, children under 12 years of age (children's products), including children's furniture, apparel, and toys. The bill requires the Department of Agriculture, Trade and Consumer Protection (DATCP) to maintain a list of products and make the list available on the internet that 1) fail to conform to any state or federal safety law or regulation 2) have been recalled by DATCP or a federal agency and 3) that DATCP or a federal agency has issued a warning of a safety hazard. The bill also prohibits the sale by commercial suppliers of baby cribs that fail to meet certain requirements under federal regulations.

The bill prohibits a day care center that is licensed by DHFS, certified by a county department, or established or contracted for by a school board from using or having on the premises where child care is provided a children's product or baby crib whose commercial use is prohibited under the bill. The bill requires DHFS to provide all day care centers licensed by DHFS, a county department to provide all day care providers certified by the county department, and a school board to provide all day care programs contracted for by the school board, with notice of the requirements under the bill relating to children's products and baby cribs and with the list maintained by DATCP under the bill of all children's products whose commercial use is prohibited under the bill. The notice and list must be provided before DHFS licenses or continues a license of a day care center, before a county department certifies or recertifies a day care provider, and before a school board contracts or renews a contract with a day care program. In addition, the notice and list must be provided three times a year during the license, certification, or contract and whenever personnel from the above three visit or inspect the day care provider or day care program. The Department must promulgate rules to implement the provision of requiring the notice and list as well as distribute a form for certifying the removal of unsafe children's products as defined by the bill to day care provider facilities and, upon completion by the provider, retain and file the completed form.

This bill will increase workload and costs for DHFS. Currently there are 5,635 licensed child care providers under DHFS regulation. It is assumed that the workload of providing notices and lists to each regulated entity and retaining and filing removal certification forms will require a 1.0 FTE program assistant costing \$33,900 GPR and approximately \$8,800 GPR annually in costs for material, postage, and printing costs. (While the bill specifies that the notices and lists can be provided via email, many providers do not have this capability. Therefore paper copies must be sent.) It is assumed that, to comply with the bill, DATCP will direct providers to a cumulative list of recalled products maintained by the U.S. Consumer Product Safety Commission (CPSC). The list would include products recalled over several years, possibly numbering in the thousands. It is also assumed that DHFS will monitor providers for compliance with the requirements of the bill while performing regular monitoring visits. This estimate assumes that the Department will monitor facilities for the existence of 25 of the most dangerous children's products, identified by DATCP, from the cumulative list maintained by CPSC of recalled products (consistent with the monitoring practices of Illinois, which has similar legislation). Specifically, this will require licensing specialists to inspect toy bins, cribs, outdoor play equipment, furniture, apparel and other children's products in the provider's environment to determine if any products present are on the list of 25 most dangerous recalled items and in violation of the bill. Licensing specialists must closely examine items because recalled products may differ only in small ways from non-recalled items. In some cases, specialists will need to verify that products have been repaired by the manufacturer to make them safe. Monitoring for unsafe children's products will add one hour each to the 12,000 monitoring visits the Department conducts annually, resulting in an additional 5.75 FTE licensing and certification specialists and \$307,600 GPR in costs to the Department. In summary, the provisions of the bill will result in approximately \$350,300 GPR of ongoing cost to DHFS annually.

The bill's fiscal impact on county human and social service departments is indeterminate because data on the number of county monitoring visits is not available. However, there are approximately 5,000 county certified providers. Assuming that the number of monitoring visits parallel that of the Department, workload and costs could be similar to the estimate for DHFS.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Regulation of unsafe children's products, extending the time limit for and providing an exemption from emergency rule procedures, requiring the exercise of rule-making authority, and providing a penalty			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$341,500	
	(FTE Position Changes)	(6.8 FTE)	
	State Operations - Other Costs	8,800	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$350,300	\$
B. State Costs by Source of Funds			
	GPR	350,300	
	FED		
	PRO/PRS		
	SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$350,300	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
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