



MISSOURI DEPARTMENT OF MENTAL HEALTH

MARK STRINGER, DEPARTMENT DIRECTOR



DEPARTMENT OPERATING REGULATION NUMBER
DOR
1.235

CHAPTER General Department	SUBCHAPTER Department Operations	EFFECTIVE DATE 6-20-16	NUMBER OF PAGES 3	PAGE NUMBER 1 of 3
SUBJECT Fiscal Notes for Administrative Rules		AUTHORITY Sections 536.010, 536.014, 536.016, 536.200, 536.215 and 630.050 RSMo.	HISTORY See Below	
PERSON RESPONSIBLE Director, Division of Administration			SUNSET DATE 7-1-19	

PURPOSE: Describes how the department will prepare fiscal notes for administrative rules.

APPLICATION: Applies to the entire department (DMH).

(1) Definitions:

(A) Administrative Rule: A regulation that affects providers and other entities outside DMH and is published in the Code of State Regulations (CSR).

(B) Department Operating Regulation (DOR): A regulation that affects employees of DMH and facilities operated by DMH.

(C) Executive Team: Division directors and other senior administrative staff designated by the DMH director.

(D) Fiscal Note: A statement estimating the cost of a proposed rule resulting from its implementation.

(E) Regulation: An administrative rule or DOR.

(F) Regulation Author: A DMH employee who is responsible for writing a regulation.

(G) Regulation Owner: The program division or office with the primary responsibility for a regulation.

(H) Regulatory Process Coordinator(s): Staff within the Office of General Counsel designated to provide technical assistance, consultation, oversight, and quality improvement relative to regulation development:

(2) Fiscal Notes. Fiscal notes are required for all proposed administrative rules, proposed amendments to administrative rules and proposed rescissions of administrative rules.

(A) Two fiscal notes are required, one to estimate costs that will be incurred by public entities and the second to estimate costs that will be incurred by private entities.

(B) Fiscal notes are not required for DORs.

(3) Fiscal notes shall –

(A) Utilize forms created by the Office of Secretary of State, Division of Administrative Rules;

(B) Be prepared in accordance with sections 536.200 through 536.215, RSMo; and



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(C) Stratify private entity costs so as to individually present costs to be incurred by small businesses, in compliance with section 536.300, RSMo, et. seq.

(4) The DMH Division of Administration shall –

(A) Provide guidelines for standardized costs relating to inflation, furniture and other administrative costs;

(B) Provide preliminary fiscal note review for regulation owners to assure consistency of methodology; and

(C) Within ten (10) working days of receipt, approve or disapprove fiscal notes submitted by regulation owners, according to the following criteria:

1. Are expense and equipment estimates consistent with the standardized costs established by the DMH Division of Administration?
2. Are estimates of staff costs accurate?
3. Are the assumptions –
 - A. Justified by the data provided; and
 - B. Consistent with the assumptions made by DMH in other contexts?
4. Is the methodology clear and reasonable, and does it flow logically from the assumptions?

(5) Assumptions and cost estimates shall meet the following criteria:

(A) If a fiscal estimate is less than \$500 over the life of the rule, the fiscal note must list in detail the assumptions leading to this conclusion and be retained by the regulation owner and the regulatory process coordinator(s).

(B) Assumptions regarding the inflation, the cost of staff, furniture, and other administrative costs shall be based on current guidelines established by the DMH Division of Administration for budgeting purposes.

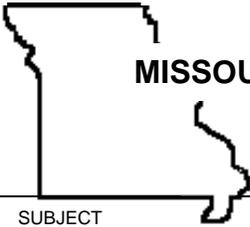
(C) The fiscal note must include costs for staff, services, training, supplies and equipment if they are required by the administrative rule or will result from the implementation of the administrative rule.

(6) Guidelines for Writing Fiscal Notes.

(A) The Assumptions and Methodology sections of the fiscal notes shall clearly reflect that DMH has made a good faith effort to evaluate costs.

(B) In deciding whether certain costs should be included the following guidelines apply:

1. The fiscal note shall include applicable costs including but not limited to-
 - A. That portion of staff time that will be engaged in performing duties not previously required, even if the new duties do not necessitate the hiring of additional staff;
 - B. Administrative costs such as postage, stationery and copying costs;



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- C. Training costs unless new training required under the new administrative rule can be included in existing required training schedules; and
- D. Items that are currently in place on a voluntary basis but become required under the new administrative rule

(7) Review of Actual Cost to Public Entities. At the end of the first full fiscal year after the implementation of an administrative rule, the regulation owner shall determine how much it actually cost public entities to implement the administrative rule. If the regulation owner determines that the actual cost to public entities was at least ten (10) percent higher than the cost estimated in the original fiscal note, the regulation owner shall file a statement of actual cost in accordance with section 536.200, RSMo.

History: Original DOR effective September 1, 2001. Amendment effective January 1, 2004. Amendment effective July 1, 2007. Amendment effective July 1, 2010. Amendment effective May 1, 2013. On June 20, 2016 the sunset date was extended to July 1, 2019.