

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3081-02
Bill No.: SB 626
Subject: Attorney General; State; Boards, Commissions, Committees, Councils; Health Department; Mental Health Department; Tobacco Products; Treasurer, State
Type: Original
Date: January 20, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Youth Smoking Prevention Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Income and expenses are expected to net to \$0 each year.
 Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Senate**, the **Missouri House of Representatives**, and the **State Treasurer's Office** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Mental Health (DMH)** state language in Section 196.1013 refers to "money received from subsequent participating manufacturers under the master settlement agreement...". Therefore, DMH assumes funding in this legislation only originates from new settlement money from manufacturers not under the original master settlement agreement. As a result, the Department assumes a \$0 fiscal impact.

However, DMH states if the intention of this legislation is to include existing core funding from the tobacco funds there will be a significant adverse affect to the DMH. If the legislation targets the core funding of the DMH from the tobacco settlement agreement, a substantial negative impact on the substance abuse treatment system would result. Approximately 2,349 clients would lose treatment services (current CSTAR treatment costs = \$2,171 per client * 40% (State Medicaid Match %) = \$868.40) $\$2,039,872 / \$868.40 = 2,349$ clients. In addition the \$300,000 smoking prevention program administered by the DMH would be lost.

Officials from the **Office of Attorney General** assume that any potential costs arising from this

ASSUMPTION (continued)

proposal could be absorbed with existing resources.

Officials from the **Department of Health and Senior Services (DOH)** state that it has a tobacco use prevention program that is supported by federal funds and consists of 9 staff, including 5 located in out-state districts that provide training and technical assistance to schools and community organizations on evidence-based tobacco prevention interventions. DOH states the program also maintains contracts with four organizations to support local tobacco prevention programs in St. Louis area, Kansas City, Springfield area, and Joplin area. DOH states this proposal would provide funds for local youth smoking programs not currently available. Funds would be needed to augment existing central office staff to provide administrative support to the Commission and to administer the youth tobacco prevention grant program. Existing staff would be available to assist with training and technical assistance to contractors funded for Youth Smoking Prevention programs. DOH states the funds to support the current program are approximately \$1.1 million in federal funds and \$140,000 donated through the Missouri Foundation for Health.

DOH assumes the program would be supported by approximately \$7 million upon Missouri entering into an agreement in fall 2004 with subsequent participating tobacco manufacturers. DOH states payments are to be made to the state in April of each year.

DOH states the proposal requires a commission to be established within DOH that would award contracts for youth smoking prevention programs. DOH assumes that additional staff would be added to the existing department infrastructure to support the Commission and the contracts would be issued to successful program applicants for Youth Prevention Programs.

The DOH states it would need the following personnel:

Program Coordinator – Health/Mental Health – 1.0 FTE Youth Tobacco Prevention Program Coordinator. Responsibilities include providing administrative support to the commission by working with Commission chair to set meeting agendas and preparing communication to members regarding meetings; overseeing arrangements for meetings and recording of meeting minutes by clerical staff. Also responsible for overseeing preparation of requests for proposals and awarding of contracts; establishing reporting and evaluation procedures for contracts; overseeing monitoring of program activities of contractors; providing training and technical assistance for contractors; and preparing required reports for the department to the governor, and house and senate leadership.

Health Program Representative III – 1.0 FTE Youth Tobacco Prevention Program Contract

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ASSUMPTION (continued)

Manager. Responsibilities include managing the day-to-day operations of the Youth Prevention contract program including assisting with contracts award process; training and technical assistance to contractors; and preparation of required reports. Responsible for approving invoices; establishing outcome data to be reported by contractors and maintaining a database to track contractor progress for use in required reports; and conducting monitoring of contractor program activities.

Senior Office Support Assistant – Keyboarding – 1.0 FTE Youth Tobacco Prevention Program Administrative Assistant. Responsibilities include providing clerical support to the Commission including maintaining minutes of meetings; typing required reports; and responding to requests for information about the program. Process contractor reports and complete data entry of program results from over 100 contracts. Also, responsible for providing clerical support to the Youth Tobacco Prevention Program staff including making travel arrangements

Equipment and Expenses:

DOH states it would require the standard department costs for personnel equipment and expenses are included to support three FTE. Travel costs include instate travel for staff to travel to meet with contractors and community groups to provide technical support, training, and monitoring program activities; and out-of-state travel to attend professional meetings and workshops to increase expertise needed to provide support for local and statewide programs. Mileage, per diem and lodging cost of Commission members to attend meetings is also budgeted at \$160 per member (excluding state employees) per meeting. DOH assumes 2 meetings per year would be conducted.

Program Distributions and contracts

DOH states contracts would be awarded with the remainder of the \$7 million. DOH anticipates that as many as 100-120 contracts could be awarded depending on criteria established by the Commission. These contracts would be evidenced based initiatives that would reduce youth smoking and would be contracted for with local or not for profit entities through a bidding process. These initiatives will be reviewed and approved by the Commission.

Oversight assumes because DOH would award contracts for youth smoking prevention programs, the duties of a Program Coordinator could be absorbed by the staff of the current smoking prevention program.

Oversight has, for fiscal note purposes only, changed the starting salary for the Health Program Representative III and the Senior Office Support Assistant – Keyboarding to the first step for FY 07 and the second step for subsequent years to correspond to comparable positions in the state's

ASSUMPTION (continued)

merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Oversight assumes the amount received from “subsequent participating manufacturers under the master settlement agreement beginning in fiscal year 2007 and in perpetuity thereafter” is an unknown amount in total and unknown by fiscal year. **Oversight** assumes all money deposited into the fund will be used to pay for youth smoking prevention programs and for DOH administrative costs. For fiscal note purposes, **Oversight** has presented unknown income and unknown expenses that net to \$0 each year.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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**YOUTH SMOKING PREVENTION
 TRUST FUND**

Income - Department of Health and
 Senior Services

Master settlement agreement	Unknown	Unknown	Unknown
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Costs - Department of Health and Senior
 Services

Personal Service Costs (2 FTE)	(\$42,290)	(\$52,939)	(\$54,263)
Fringe Benefits	(\$18,633)	(\$23,325)	(\$23,908)
Equipment and Expense	(\$25,026)	(\$15,766)	(\$16,153)
Program costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>Total Costs - Department of Health and Senior Services</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**YOUTH SMOKING PREVENTION
 TRUST FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

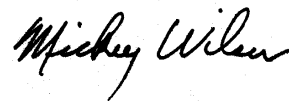
DESCRIPTION

This proposal creates the "Youth Smoking Prevention Trust Fund", which shall be funded by monies received under the Master Settlement Agreement. The Commission for Youth Smoking Prevention is established in the Department of Health and Senior Services and its membership and duties are outlined within the proposal.

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

State Treasurer Office
Department of Health and Senior Services
Department of Mental Health
Attorney General
Missouri Senate
Missouri House of Representatives



Mickey Wilson, CPA
Director
January 20, 2006