

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3100-01
Bill No.: SB 702
Subject: Abortion; Appropriations; Health Care; Health Department; Science and
Technology; Social Services Department
Type: Original
Date: January 27, 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
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 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 **Office of State Courts Administrator**, the **Department of Mental Health**, the **Office of Prosecution Services**, the **Coordinating Board of Higher Education**, and the **State Public Defender** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Social Services (DOS)** state there would be no fiscal impact to DOS because Section 33.900.3(1) makes it clear that federal law supercedes this proposal and federal Medicaid funds would not be at risk.

Officials from the **State Auditor's Office (SAO)** state in order for the SAO to perform the audits required by this proposed legislation (once every three years), it would require an additional .5 FTE to perform one third of the audits each year.

Oversight assumes audits required by this proposal could be absorbed by the SAO.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal could be absorbed with existing resources.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services** (DOH) assume the fiscal impact to the DOH would be greater than \$100,000. The DOH states Subsection 2, subdivision 6 of this legislation requires that an independent audit of any entity that receives public funds in connection with any health and social service program be conducted at least once every three years or sooner. Currently the Division of Community Health has 1,900 contracts. The cost to reimburse contractors for each independent audit would be \$2,400 (based on current audits conducted for Child & Adult Care Food program). If one third of these contracts are audited each year, the reimbursement cost would be \$1,520,000.
(1,900 x \$2,400 x 1/3 = \$1,520,000).

In a similar fiscal note from the previous year (SB 1000, L.R. 2968-02) the DOH assumed it would select the option to approve the independent auditing firm with the contractor being responsible for the cost of the independent audit, as provided for in said subsection.

Oversight assumes the DOH would pass the audit cost to the contractor and have no fiscal impact.

Officials from the **University of Missouri (UM)** determined that there is a potential impact for the cost of recordkeeping and audit expenses related to this proposal. UM states the amounts are not readily identifiable and should not exceed \$100,000 annually.

Oversight assumes that UM could absorb recordkeeping costs and could pass audit expenses to the contract provider.

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

FISCAL IMPACT - Small Business

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

DESCRIPTION

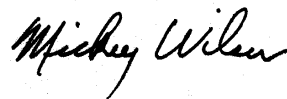
This proposal prohibits the expenditure of public funds to existing or proposed health and social services programs that directly or indirectly subsidize abortion services. An entity that is affiliated with another entity that provides abortion services may only receive public funds if the affiliated entity is an independent affiliate. Entities that provide counseling to pregnant women and receive public funds may only provide non-directive pregnancy counseling and may not display or distribute material promoting abortion services.

This proposal also requires entities that receive public funds to maintain records that demonstrate strict compliance. An independent audit of these entities must be conducted at least once every three years. If the recipient of public funds is affiliated with an entity that provides abortion services, an audit must be conducted each year to ensure compliance. The act includes exceptions for reimbursement to entities that provide services that are required under federal Medicaid regulations and certain services required under the federal family planning program.

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

Office of State Courts Administrator
Department of Mental Health
Office of Prosecution Services
Coordinating Board of Higher Education
State Public Defender
Department of Social Services
State Auditor's Office
Department of Health and Senior Services
University of Missouri



Mickey Wilson, CPA
Director

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