

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0267-05
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SB 84
Subject: Children and Minors; Social Services Dept.; Law Enforcement Officers and Agencies
Type: Original
Date: June 20, 2007

Bill Summary: Modifies provisions of criminal background checks for emergency child placement.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$0 or (\$16,600)	\$0 or (\$16,600)	\$0 or (\$16,600)
Total Estimated Net Effect on General Revenue Fund	\$0 or (\$16,600)	\$0 or (\$16,600)	\$0 or (\$16,600)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Criminal Records	\$2,868,333	\$3,442,000	\$3,787,500
Missouri Gaming Commission	(\$306,720)	(\$406,200)	(\$461,670)
Total Estimated Net Effect on Other State Funds	\$2,561,613	\$3,035,800	\$3,325,830

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	(\$288,305)	(\$348,563)	(\$408,821)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Attorney General, Office of Administration (COA) - Children's Trust Fund, Office of State Courts Administrator, Department of Insurance, Financial and Professional Regulation, Department of Corrections, Department of Health and Senior Services, Department of Social Services (DOS) - Children's Division, Department of Public Safety (DPS) - Director's Office, Missouri Senate, Office of State Public Defender, Office of Lieutenant Governor, Office of the Governor, and Department of Mental Health** assume the proposal will have no fiscal impact on their organizations.

Officials from the **COA - Division of Budget and Planning (BAP)** state the proposed legislation should not result in additional costs or savings to the BAP.

The proposal makes changes to which individuals are required to have criminal background checks and the amount of the fees charged for the background checks. The BAP defers to the Department of Public Safety for an estimate of the total amount of fees collected.

The proposal will increase total state revenues.

Officials from the **Office of Secretary of State (SOS)** state the proposal requires the Department of Public Safety and Department of Social Services to promulgate rules. These rules would be published in both the Missouri Register and Code of State Regulations. Based on experience with other divisions, the rules, regulations and forms issued by the various agencies may require as many as 50 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because of cost statements and fiscal notes, etc. that are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The SOS estimates a total cost of \$3,075 [(75 pgs. X \$23) + (50 pgs. X \$27)]. These costs are estimates and depend on the number of rules printed, rescinded, and amended.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

ASSUMPTION (continued)

Officials from the **Department of Elementary and Secondary Education (DES)** assume the following fiscal impact for this proposal:

Section 43.530

	<u>CY 2006</u>			<u>FY 2008</u>
Background Checks	60,258	x	\$4	\$241,032
Fingerprint Checks	47,273	x	\$1	\$ 47,273
Total	107,531			\$288,305

Assuming the level of background checks and fingerprint searches remains level, and assuming the fee increases by \$1 per annum as allowed in the proposal, the fiscal impact may be computed as follows:

FY 2008		Increase	=	FY 2009		Increase	=	FY 2010
\$241,032	+	\$60,258	=	\$301,290	+	\$60,258	=	\$361,548
<u>\$ 47,273</u>	+	<u>\$ 0</u>	=	<u>\$ 47,273</u>	+	<u>\$ 0</u>	=	<u>\$ 47,273</u>
\$288,305		\$60,258		\$348,563		\$60,258		\$408,821

In summary, DES assumes an increase in cost to local school districts of \$288,305 in FY 2008, \$348,563 in FY 2009 and \$408,821 in FY 2010.

Section 1

This section requires the DES, in conjunction with the Department of Social Services, to conduct a study to determine the means of ensuring the educational needs of pupils under the jurisdiction of the juvenile court or family court are met in terms of setting and amount, and to submit a report on the study to the Governor and General Assembly on or before November 1, 2007. The costs for this provision are unknown.

Oversight assumes the DES can conduct the study, in conjunction with the Department of Social Services, within current funding levels and will not need additional funding for this portion of the proposal.

Officials from the **DOS – Division of Youth Services (DYS)** assume they would incur costs for the compact dues. Under the old compact, the dues were \$400. Under the new compact, the state's dues will be \$17,000. Therefore, the fiscal impact would be the increase in dues of \$16,600 annually.

ASSUMPTION (continued)

Oversight assumes the increase in the annual assessment is dependent on at least thirty five states enacting the compact into law. Therefore, Oversight has reflected the increase in the annual assessment as \$0 or \$16,600 per fiscal year.

Officials from the **DPS - Missouri Gaming Commission (GAM)** state the Missouri State Highway Patrol has informed the GAM that it will no longer be able to perform its own criminal history background checks. Therefore, the GAM estimates the proposed legislation will cost the Missouri Gaming Commission Fund \$306,720 for FY 08; \$406,200 for FY 09; and \$461,670 for FY 10.

Officials from the **DPS - Missouri State Highway Patrol (MHP)** provide the following assumptions for the proposed legislation:

Section 43.530

The average number of name checks for the prior two fiscal years is 691,000 and the average number of fingerprint checks for the prior two fiscal years is 113,000.

The MHP estimates FY 08 fees under the old fee schedule would be \$5,037,000 [(691,000 names X \$5) + (113,000 fingerprints X \$14)]. FY 08 fees with the proposed increase would be: \$2,868,333 [(691,000 names X \$9 = \$6,219,000) + (113,000 fingerprints X \$20 = \$2,260,000) - \$5,037,000] X 10/12 months. FY 09 fees with the proposed increase would be: \$3,442,000 [(691,000 names X \$9 = \$6,219,000) + (113,000 fingerprints X \$20 = \$2,260,000) - \$5,037,000]. FY 10 fees with the proposed increase would be: \$3,787,500 [(691,000 names X \$9.50) + (113,000 fingerprints X \$20) - \$5,037,000].

Because the rate will increase from \$9 to \$10 on January 1, 2010, the fee for half of the fiscal year will be \$9 and the other half \$10. The MHP assumes that the checks will be spread evenly throughout the year, thereby resulting in an average fee of \$9.50 for the year.

Officials from the **Missouri Department of Transportation, Department of Labor and Industrial Relations, DPS - Missouri Lottery Commission, and Missouri House of Representatives** did not respond to our request for a statement of fiscal impact.

This proposal will have a positive impact on total state revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Costs – Department of Social Services</u>			
Increased annual assessment	<u>\$0 or (\$16,600)</u>	<u>\$0 or (\$16,600)</u>	<u>\$0 or (\$16,600)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 or (\$16,600)</u>	<u>\$0 or (\$16,600)</u>	<u>\$0 or (\$16,600)</u>
CRIMINAL RECORDS FUND			
<u>Income – Missouri State Highway Patrol</u>			
Fees from record checks (name) from \$5 to \$9 per record	\$2,303,333	\$2,764,000	\$2,764,000
Fees from record check (fingerprint) from \$14 to \$20 per record	\$565,000	\$678,000	\$678,000
Fees from record checks (name) from \$9 to \$10 on January 1, 2010	<u>\$0</u>	<u>\$0</u>	<u>\$345,500</u>
ESTIMATED NET EFFECT ON CRIMINAL RECORDS FUND	<u>\$2,868,333</u>	<u>\$3,442,000</u>	<u>\$3,787,500</u>
MISSOURI GAMING COMMISSION FUND			
<u>Costs - Department of Public Safety - Missouri Gaming Commission</u>			
Increase in name and fingerprint record check fees	<u>(\$306,720)</u>	<u>(\$406,200)</u>	<u>(\$461,670)</u>
ESTIMATED NET EFFECT ON MISSOURI GAMING COMMISSION FUND	<u>(\$306,720)</u>	<u>(\$406,200)</u>	<u>(\$461,670)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
LOCAL GOVERNMENTS - SCHOOL DISTRICTS			
<u>Costs - School Districts</u>			
Increase in background check and fingerprint search fees	<u>(\$288,305)</u>	<u>(\$348,563)</u>	<u>(\$408,821)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS - SCHOOL DISTRICTS	<u>(\$288,305)</u>	<u>(\$348,563)</u>	<u>(\$408,821)</u>

FISCAL IMPACT - Small Business

The proposal may impact small businesses if they pay to have fingerprint or background checks done on their employees.

FISCAL DESCRIPTION

This proposal modifies various provisions relating to child placements.

INTERSTATE COMPACT FOR THE PLACEMENT OF CHILDREN

This proposal revises the Interstate Compact for the Placement of Children. The compact is an existing agreement between the states regarding the placement of children from one state to another. The compact facilitates ongoing supervision of a placement, the delivery of services, and communication between the states and ensures that children are placed in safe and suitable homes in a timely manner. Adoption of the revised compact makes Missouri a member of the Interstate Commission for the Placement of Children and requires the state to establish a central state compact office to be responsible for state compliance with the compact and rules of the commission. The compact establishes the powers and duties of the interstate commission and specifies provisions regarding bylaws, structure, rule-making authority, financing mechanism, a process for dispute resolution, and enforcement. The compact becomes effective August 28, 2007, or upon legislative enactment of the compact into law by no less than 35 states, whichever occurs later.

INTERSTATE COMPACT FOR JUVENILES

This proposal revises the Interstate Compact for Juveniles. The compact is an existing agreement between the states regarding the supervision and transfer of juvenile delinquents who have escaped from supervision to another state. Adoption of the compact makes Missouri a member

FISCAL DESCRIPTION (continued)

of the Interstate Commission for Juveniles and requires the state to select a compact administrator to manage the state's transfer of those juveniles subject to the compact. The compact establishes the powers and duties of the interstate commission and specifies the bylaws, corporate structure, rule-making authority, financing mechanism, process for dispute resolution, and enforcement provisions. The compact becomes effective August 28, 2007, or upon legislative enactment of the compact into law by no less than 35 states, whichever occurs later. (Sections 210.570 and 210.580)

MISSOURI STATE HIGHWAY PATROL AND FINGERPRINT CHECKS

Currently, an entity making a request, as required by law, for criminal history record information that is not based on a fingerprint search must pay a fee of not more than \$5 per request. Entities making requests not required by law cannot be charged more than \$10. Under this proposal, an entity cannot be made to pay more than \$9 dollars for such a request regardless of whether required by law. However, after January 1, 2010, the Superintendent of the Highway Patrol may increase the fee by not more than \$1 per year. Under no circumstances shall the fee exceed \$15 dollars per request.

Currently, an entity making a request for criminal history record information that is based on a fingerprint search must pay a fee of not more than \$14 per request when such request is required by law. When not required by law, the entity may be charge not more than \$20 for such request. Under this proposal, an entity cannot be charged a fee of more than \$20 dollars for criminal history record information based on a fingerprint search, unless the request is required by the concealed carry endorsement statute or the foster home, residential care facility, or child placing agency licensing statutes, in which case, the fee shall be \$14. (Section 43.530)

AMBER ALERT SYSTEM AND MISSING PERSONS

The Department of Public Safety has the authority to promulgate rules establishing recommended procedures for issuing missing endangered person advisories. (Sections 210.1012 and 650.025).

EDUCATIONAL NEEDS OF CHILDREN IN RESIDENTIAL CARE FACILITIES

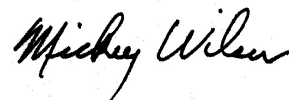
This proposal requires the Department of Elementary and Secondary Education to, in conjunction with the Department of Social Services, conduct a study to determine the means of ensuring that the educational needs of certain children in residential care facilities are met in terms of setting and amount, and submit a report on the study to the governor and Missouri general assembly on or before November 1, 2007.

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 Attorney General
Office of Administration -
 Division of Budget and Planning
 Children's Trust Fund
Office of State Courts Administrator
Department of Elementary and Secondary Education
Department of Insurance, Financial and Professional Regulation
Department of Mental Health
Department of Corrections
Department of Health and Senior Services
Department of Social Services
Department of Public Safety -
 Director's Office
 Gaming Commission
 Missouri State Highway Patrol
Office of the Governor
Office of Lieutenant Governor
Missouri Senate
Office of Secretary of State
Office of State Public Defender

NOT RESPONDING: Missouri Department of Transportation, Department of Labor and Industrial Relations, Missouri Lottery Commission, and Missouri House of Representatives



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Director
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