

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0431-01
Bill No.: SB 145
Subject: Children and Minors; Family Law; Family Services Division
Type: Original
Date: January 26, 2007

Bill Summary: This proposal modifies the law relating to the establishment of paternity.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	Greater than (\$38,847)	Greater than (\$43,239)	Greater than (\$44,535)
Total Estimated Net Effect on General Revenue Fund	Greater than (\$38,847)	Greater than (\$43,239)	Greater than (\$44,535)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Federal	Greater than (\$75,410)	Greater than (\$83,933)	Greater than (\$86,452)
Total Estimated Net Effect on <u>All</u> Federal Funds	Greater than (\$75,410)	Greater than (\$83,933)	Greater than (\$86,452)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	.68 FTE	.68 FTE	.68 FTE
Federal	1.32 FTE	1.32 FTE	1.32 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 FTE

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	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services, Department of Revenue, Jefferson County** and the **Missouri County Employees' Retirement Fund** each assume the proposal would have no fiscal impact on their respective agencies.

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

Officials from the **Department of Social Services - Family Support Division (FSD)** states this legislation allows the name of a presumptive father to be added to a child's birth certificate if the mother has signed an "identification of presumptive father" form, in which she states whom she believes to be the father of the child. Current federal law states that a father may appear on the birth record of a child born to unmarried parents only if both parents sign a voluntary acknowledgment of paternity, or if a court or administrative agency has issued an order that adjudicates paternity of the child. Passage of this legislation as currently worded regarding the presumptive father form violates federal law and would likely result in the federal government finding Missouri out of compliance with its IV-D State Plan, and thus Missouri could be penalized by the total loss of federal funding. The amount of federal funds drawn in federal fiscal year 2006 was approximately \$35.9 million. Any loss of federal funding would have to be replaced by General Revenue. A federally approved IV-D State Plan is also a requirement to receive the Temporary Assistance for Needy Families (TANF) block grant, so a disapproved IV-D plan could also jeopardize federal TANF funding. This would be a major negative fiscal impact upon FSD.

Placing a man's name on the birth certificate via the proposed identification of presumptive father form would eliminate the legal correlation between a man's name on the birth record and his legal status as the child's father. This could result in additional work for FSD staff to determine the legal status of the named father before proceeding with paternity and support order establishment activities. Any additional work would be performed by existing staff.

FSD is required to develop the new presumptive father form. FSD would use existing IV-D policy development specialists (PDS) as part of their regular work to develop the form.

ASSUMPTION (continued)

The new form is to be provided free of charge to institutions (birthing hospitals), county clerks and state and local registrars. According to IV-D PDS staff, there are approximately 80 birthing hospitals in Missouri. There are 115 county clerks, including the City of St. Louis, and there is normally a registrar located in each county health department. FSD would be providing forms, instruction and related assistance to approximately 310 $[80 + (115 \times 2)]$ facilities around the state, which includes hospitals, county clerks and registrars.

In addition, the legislation calls for the Department of Health and Senior Services to expand the type of entities to which it provides paternity affidavits, to include health departments, county welfare offices, WIC offices, parents as teachers, head start programs and other appropriate government offices and programs.

FSD would be responsible for providing forms and training to these additional entities as well. FSD currently maintains a program in which birthing hospitals are trained to administer the Bureau of Vital Record's (BVR) paternity affidavit, the VS465, to new parents. This program is trained by a policy development specialist, who visits the birthing hospitals and maintains a rapport with these facilities. For purposes of this fiscal note, it is assumed that this program would be expanded to incorporate county clerks, registrars and any other group named above responsible for presenting to parents the new presumptive father form. The number of groups to be trained, whether multiple groups can be trained in one session, amount of training materials needed and travel expenses needed to train all groups is unknown; however, it is assumed that FSD will need the services of at least two (2) additional employees for this training, as the increase in work would be too much for one employee to perform successfully. For this fiscal note, it is assumed the additional employees would be classified as Training Technician II's. Due to the potential number of facilities to be initially trained and to maintain training of staff, it is assumed the training would be needed on an on-going basis.

This legislation also requires genetic testing even in situations where the parents are sure of paternity and do not desire a genetic test. This could increase FSD's costs for genetic testing, which is an average of approximately \$150 for genetic testing for a mother, child and alleged father. This service is typically provided free of charge by FSD on IV-D cases; however, FSD does seek reimbursement of genetic testing costs in some cases under the authority of Section 454.485, RSMo.

This legislation provides that the Attorney General may seek reimbursement of administrative costs for paternity establishments. The fiscal impact of this is unknown, as the increase in the number of genetic tests is unknown and the amount of reimbursement of those costs is also unknown.

ASSUMPTION (continued)

Oversight assumes the \$35.9 million Federal penalty resulting from this proposal is speculative and therefore, have not included the estimate in the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
---	---------------------	---------	---------

GENERAL REVENUE FUND

Costs - Department of Social Services

Personal Services	(\$20,885)	(\$25,824)	(\$26,598)
Fringe Benefits	(\$9,452)	(\$11,688)	(\$12,038)
Equipment and Expense	(\$8,510)	(\$5,727)	(\$5,899)
Program Costs - Genetic Testing	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>Total Costs - DOS</u>	<u>(\$38,847)</u>	<u>(\$43,239)</u>	<u>(\$44,535)</u>
FTE Change - DOS	.68 FTE	.68 FTE	.68 FTE

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>Greater than</u> <u>(\$38,847)</u>	<u>Greater than</u> <u>(\$43,239)</u>	<u>Greater than</u> <u>(\$44,535)</u>
---	--	--	--

Estimated Net FTE Change for General Revenue Fund	.68 FTE	.68 FTE	.68 FTE
---	---------	---------	---------

FEDERAL FUND

Costs - Department of Social Services

Personal Services	(\$40,541)	(\$50,128)	(\$51,632)
Fringe Benefits	(\$18,349)	(\$22,688)	(\$23,369)
Equipment and Expense	(\$16,520)	(\$11,117)	(\$11,451)
Program Costs - Genetic Testing	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>Total Costs - DOS</u>	<u>(\$75,410)</u>	<u>(\$83,933)</u>	<u>(\$86,452)</u>
FTE Change - DOS	1.32 FTE	1.32 FTE	1.32 FTE

ESTIMATED NET EFFECT ON FEDERAL FUND	<u>Greater than</u> <u>(\$75,410)</u>	<u>Greater than</u> <u>(\$83,933)</u>	<u>Greater than</u> <u>(\$86,452)</u>
---	--	--	--

Estimated Net FTE Change for Federal Fund	1.32 FTE	1.32 FTE	1.32 FTE
---	----------	----------	----------

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<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.

FISCAL DESCRIPTION

This legislation modifies the law relating to the establishment of paternity. New language requires the Division of Family Support to provide a presumptive father identification form when a child is born to an unmarried woman or a woman who is married but whose husband is not the father. The form shall contain any information on the identity and location of the possible father. This form will not be deemed an affidavit and its use will not subject the mother to any civil or criminal penalties if the information is provided in good faith.

The Division shall furnish the form to county clerks, state and local registrars' offices, and the mother for her review. The Division shall maintain a file on each child listed on a presumptive father identification form and shall take the necessary steps to locate the suspected father.

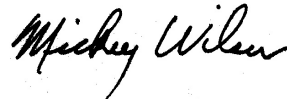
If the suspected father is located, the Division shall attempt to legally obtain a DNA sample to establish paternity for the child. If the DNA test confirms paternity, the Division is responsible for notifying the biological father of his rights and responsibilities regarding the child. Once paternity is established, the Attorney General may recover any administrative costs associated with the paternity test.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 0431-01
Bill No. SB 145
Page 7 of 7
January 26, 2007

SOURCES OF INFORMATION

Department of Health and Senior Services
Office of the Attorney General
Department of Revenue
Jefferson County
Missouri County Employee's Retirement Fund
Department of Social Services



Mickey Wilson, CPA
Director
January 26, 2007