

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0778-05  
Bill No.: SS for HCS for HB 154  
Subject: Children and Minors; Family Law; Family Services Division  
Type: Original  
Date: April 22, 2009

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**Bill Summary:** This legislation requires the state to make a good faith effort to locate the grandparents of a child for emergency placement and requires the grandparents to be given first preference as foster parents.

Establishes educational rights for foster care students and requires a full school day of education for certain children.

Modifies provisions on child care subsidies.

Authorizes a court to appoint a standby guardian for a minor or an incapacitated adult.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
General Revenue	(Not expected to exceed \$100,000)	(\$8,272,031)	(\$8,240,386)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Not expected to exceed \$100,000)</b>	<b>(\$8,272,031)</b>	<b>(\$8,240,386)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 13 pages.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
General Revenue	0 FTE	4 FTE	4 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0 FTE</b>	<b>4 FTE</b>	<b>4 FTE</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### ASSUMPTION

Officials from the **Office of the State Public Defender, Office of Prosecution Services, Office of the Attorney General** and the **Office of State Courts Administrator** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**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.

Officials from the **Department of Social Services - Children's Division (DSS-CD)** assume this version of the proposal would have no significant fiscal impact on their agency.

#### Senate Amendment 2

Officials from the **Office of State Courts Administrator** state this proposal will have no fiscal impact on the Courts.

ASSUMPTION (continued)

Officials from the **Office of Administration - Administrative Hearing Commission** state this proposal will have no fiscal impact on the Commission.

Officials from the **Department of Health and Senior Services** state this proposal will have no fiscal impact on their agency.

Officials from the **Department of Mental Health (DMH)** state that none of the provisions of this proposal appear to place any additional requirements upon their agency; therefore, no fiscal impact is anticipated.

Officials from the **Department of Elementary and Secondary Education** state this proposal will have no fiscal impact on their agency or on local school districts.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500.

**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.

§168.019

The proposed legislation stipulates that the foster child has the right to remain enrolled in and attend their school of origin pending resolution of school placement disputes. According to officials from the **Department of Social Services - Children's Division**, the Children's Division policy currently addresses this issue in Section 4 Chapter 7.2 of the Child Welfare Manual.

DOS-CD notes that the language "The department of elementary and secondary education shall promulgate rules and regulations for assigning costs associated with assigning transportation costs associated with pupil placement under this subsection," was included in SB 1000 (FN 3989-05) from last session, but is not included in this proposal. It is unknown who will pay for these costs and how much of this type of transportation costs there are. However, should the CD

ASSUMPTION (continued)

have to incur the costs of transporting foster children to their school of origin there could be a fiscal impact that is unknown at this time.

**Oversight** assumes that additional transportation costs, if any, would be minimal and would not be expected to exceed \$100,000.

Officials from the **Blue Springs School District** assume this proposal would result in the need for them to hire at least one additional staff member in order to comply with this proposal. Their cost is estimated to be at least \$75,000 annually.

In response to SB 1000 (FN 3989-05) from last year, officials from the **Francis Howell School District** assumed no fiscal impact to their district.

In response to the introduced version of this proposal, these school districts made the following assumptions:

Officials from the **St Charles School District** stated that schools already provide services to students who are in foster care. Sending transcripts, etc., is already required and does not require designation of one person to be responsible.

Officials from the **Poplar Bluff School District** assumed this proposal would impact personnel, but did not assign a cost.

Officials from the **Sikeston School District** assumed they would have to establish an additional protected class which would result in a cost for implementation and training.

**Oversight** assumes the only costs to school districts will be administrative and that the school districts can absorb any administrative duties related to this proposal.

Senate Amendment 3

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that

ASSUMPTION (continued)

this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**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.

Officials from the **Department of Social Services** state for the projection of fiscal impact, the Children's Division (CD) is providing the following:

Assumptions used to calculate/estimate the fiscal impact for the groups:

- This estimate/methodology is based on the eligibility limit of a family of four whose yearly household income can not exceed 127% of the FPL.
- Every year, in the early part of the Calendar Year (CY) the Federal Poverty Limit is adjusted upwards.
- The cost to increase eligibility per percentage points is based on eligibility increases the past few years. The average cost per percentage point incurred by these increases was \$580,000. However, at some point there will be a substantial increase in the cost per percentage point. The exact level at which the cost will increase is unknown. For this fiscal note, the Children's Division is using \$580,000 per percentage point increase.
- The Administration for Children and Families reports that 11.3% of eligible families in Missouri access child care assistance.

Transitional group- individuals receiving child care whose income increases and places them between the annual appropriation level and up to 45% above. These individuals would receive benefits at a proportionately reduced rate.

- The following transitional benefit structure will be used to calculate costs.
  - Eligibles from the annual appropriation level up to 20% above will receive 75% of the benefit.
  - Eligibles from 21% above the annual appropriation level up to 45% above will receive 50% of the benefit.

ASSUMPTION (continued)

- CD projects a cost of \$6,525,000 for the group up to 20% above the annual appropriation level. This is based on the \$580,000 reduced by 25% to \$435,000 (based on the fact that only individuals who were receiving benefits at above 20% above the annual appropriation level) times a benefit rate of 75%
- CD projects a cost of \$5,437,500 for the group from 21% to 45% above the annual appropriation level. This is based on the \$580,000 reduced by 25% to \$435,000 (based on the fact that only individuals who were receiving benefits can maintain a benefit from 21% to 45% above the annual appropriation level) times a benefit rate of 50%
- CD currently funds transitional benefits up to 12% above the annual appropriation level. This existing funding of \$3,915,000 is backed out of the fiscal impact for this group. This is based on the \$580,000 reduced by 25% to \$435,000 (based on the fact that only individuals who were receiving benefits can maintain a benefit at above 20% above the annual appropriation level) times a benefit rate of 75%.
- Projected fiscal impact for this group for FY2011 is \$8,047,500 (\$6,525,000 + \$5,437,500 - \$3,915,000).

Additional Staff: The eligibility increase will be effective July 1, 2010 (FY 2011).  
Additional staff is calculated based on the following assumptions:

- The number of additional children affected with transitional benefit per percentage point is 109 (145 times 75%)
- Worker need for child care cases is calculated at 1 worker to 223 cases.
- Family Support Eligibility Specialists annual salary is \$28,596 at the 3rd step of range 17.
- Family Support Eligibility Supervisor annual salary is \$33,420 at the 3rd step of range 21, and 1 supervisor is needed per 10 Specialists.
- Office Support Assistants (OSA) and Senior Office Support Assistants (SOSA) have annual salaries of 21,984 and 24,576 at the 3rd step of ranges 9 and 12, respectively. One office support staff is needed per 6 professional staff at a ratio of 75% OSA and 25% SOSA.

ASSUMPTION (continued)

12 Additional FTE needed are calculated as follows:

- 9 Family Support Eligibility Specialists
  - 109 children \* 33 percentage points (45%-12%) = 3,597 children
  - 3,597 total children / 1.8 children per case = 1,998 cases / 223 cases per specialist = 9 specialists
- 1 Family Support Eligibility Supervisors
  - 9 Specialists / 10 supervisors per specialist = 1 supervisor
- 2 Office Support Assistants
  - 10 specialists & supervisors / 6 professional staff per support \* .75 ratio = 2 OSAs

Fiscal year totals for additional staff including fringe and E&E, as explained on the attached spreadsheet, are:

FY 10	\$0
FY 11	\$708,048
FY 12	\$614,114

**Oversight** assumes DSS could absorb 7 Family Support Eligibility Specialists FTE and 1 Office Support Assistant FTE. Oversight assumes any significant increase in the workload of the DSS would be reflected in future budget request.

Senate Amendment 4

Officials from the **Department of Mental Health, Department of Health and Senior Services,** and the **Department of Social Services** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.



<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>GENERAL REVENUE</b>			
<u>Senate Amendment 2</u>			
<u>Cost - Department of Elementary and Secondary Education or Department of Social Services - Transportation costs</u>	(Not expected to exceed <u>\$100,000</u> )	(Not expected to exceed <u>\$100,000</u> )	(Not expected to exceed <u>\$100,000</u> )
<u>Senate Amendment 3</u>			
<u>Costs - Department of Social Services</u>			
Personal Service	\$0	(\$119,453)	(\$123,037)
Fringe Benefits	\$0	(\$58,090)	(\$59,833)
Equipment and Expense	\$0	(\$46,988)	(\$10,016)
Program Costs	<u>\$0</u>	<u>(\$8,047,500)</u>	<u>(\$8,047,500)</u>
Total Costs - DSS	<u>\$0</u>	<u>(\$8,272,031)</u>	<u>(\$8,240,386)</u>
FTE Change - DSS	0 FTE	4 FTE	4 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Not expected to exceed \$100,000)</u></b>	<b><u>(\$8,272,031)</u></b>	<b><u>(\$8,240,386)</u></b>
Estimated Net FTE Change for General Revenue	0 FTE	4 FTE	4 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

## FISCAL IMPACT - Small Business

### Senate Amendment 3

Additional children will qualify for child care allowing providers to see an increase in state subsidized children. With the higher income levels more providers may be willing to accept Department of Social Services subsidy.

## FISCAL DESCRIPTION

### Senate Amendment 2

This proposed legislation establishes the "Foster Care Education Bill of Rights." Each school district must designate a staff person to be an educational liaison for foster care children. This liaison would assist with proper educational placements, transferring between schools, ensuring transfer of grades and credits, requesting school records, and submitting school records that have been requested.

A child placing agency will promote educational stability for foster care children when making placements. A foster care child may continue to attend his or her school of origin pending resolution of a dispute. Each school district must accept for credit any full or partial course work satisfactorily completed by a pupil while attending certain schools. A pupil who completes the graduation requirements of his or her school district of residence while under the jurisdiction of the juvenile court will receive a diploma.

If a foster care pupil is absent from school because of a change in placement by the court or child placing agency, or because of a verified court appearance or related court-ordered activity, the pupil's grades and credits will be calculated as of the date the pupil left school. Such absence will not result in a lowering of the pupil's grades.

Subject to federal law, school districts are authorized to permit access of pupil school records to a child placing agency for the purpose of fulfilling educational case management responsibilities required by the juvenile officer or by law and to assist with the school transfer or placement of a pupil.

FISCAL DESCRIPTION (continued)

Each child who is in foster care or who is placed in a licensed residential care facility is entitled to a full school day of education unless the school district determines that fewer hours are warranted. A full school day is defined as six hours under the guidance and direction of teachers in the education process for children in foster care or for children placed for treatment in a licensed residential care facility by the Department of Social Services.

For children placed for treatment in a licensed residential care facility by the Department of Social Services, the Commissioner of Education, or his or her designee, will be an ombudsman to assist the family support team and school district. The ombudsman will have the final decision over discrepancies regarding school day length. A full school day of education will be provided pending the ombudsman's final decision.

Senate Amendment 3

**Section 208.046:**

The proposed legislation provides that the Children's Division within the Department of Social Services shall develop rules to become effective by July 1, 2010, modifying the income eligibility criteria for any person receiving state-funded child care assistance, either through vouchers or direct reimbursement to child care providers.

Eligible child care recipients under state law and regulation may pay a fee based on gross income and family size unit based on a child care sliding scale fee established by the Children's Division, which is subject to appropriations. However, a person receiving state-funded child care assistance whose income surpasses the annual appropriation level may continue to receive reduced subsidy benefits on a scale established by the Children's Division until such person's income reaches 45 percent above such annual appropriation level, at which time such person will have assumed the full cost of the maximum base child care subsidy benefits. "Annual appropriation level" is defined as the percentage of the federal poverty level for the applicable family size necessary to be eligible for the child care subsidy as determined by annual appropriation.

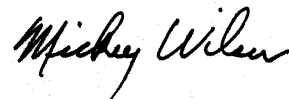
The sliding scale fee may be waived for children with special needs as established by the Division. The maximum payment by the Division shall be the applicable rate minus the applicable fee.

FISCAL DESCRIPTION (continued)

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 the Attorney General  
Office of the State Courts Administrator  
Department of Social Services  
Office of the Secretary of State  
Office of the State Public Defender  
Office of Prosecution Services  
Department of Elementary and Secondary Education  
Department of Health and Senior Services  
Department of Mental Health  
Office of State Courts Administrator  
Office of Administration  
    Administrative Hearing Commission  
School Districts  
    Blue Springs  
    Sikeston  
    St Charles  
    Poplar Bluff  
    Francis Howell



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Director

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