

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0542-05
Bill No.: Perfected HCS for HB 431
Subject: Children and Minors; Board, Commissions, Committees, Councils; Licenses-
Misc.; Department of Social Services
Type: Original
Date: March 15, 2011

Bill Summary: This legislation enacts various provisions regarding foster care and adoption promotion.

This legislation will automatically sunset six years from the effective date of the legislation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue Fund	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Foster Care and Adoptive Parents Recruitment and Retention Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Income and costs of approximately \$0 to Unknown would net to \$0.

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
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 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Sections 143.1015, 210.112, 210.498, 210.565, 210.566, 210.617 & 453.600:

Officials from the **Department of Health and Senior Services, Department of Mental Health, Office of the State Courts Administrator, Department of Insurance, Financial Institutions and Professional Registration** and the **Department of Elementary and Secondary Education** each assume the proposal would have no fiscal impact on their respective agencies.

In response to a previous version of this proposal, officials from the **Office of Administration-Administrative Hearing Commission, Missouri Governor** and the **Missouri State Treasurer** each assume the proposal would have no fiscal impact on their respective agencies.

In response to a previous version of this proposal, officials from the **Department of Social Services-Children's Division (CD)** states provisions in Section 143.1015 establish the mechanism (tax returns) for collecting the fund. Section 453.600, establishes the fund, and creates the "Foster Care and Adoptive Parents Recruitment and Retention Fund Board" to administer the fund.

This legislation will have no fiscal impact as no new employees are needed. Staff now assigned to recruit will be re-directed into additional training and assessment (licensure) duties should this result in a substantial increase in the number of homes. This legislation would require monitoring the use of funds through budgetary review. This fund will create more opportunities to promote foster care and adoption recruitment programs which could increase the number of much needed foster care and adoptive placements for children in the state's custody.

In section 210.112, subsection 6, this legislation requires the Division to include in any foster care case management contract that all recruitment, licensing, and retention activities for foster and adoptive parents in the areas of the state included in the contract, shall be provided exclusively by the contracted entity. The Division does not anticipate a fiscal impact for this provision.

In Section 210.498, this legislation limits access to Division records by a parent or guardian to "only" information pertaining to the nature and disposition of any denial, suspension or revocation of a license to operate a foster home. This would require minimal policy revisions to limit information to what is required by this provision, however the Division does not anticipate a fiscal impact for this provision.

ASSUMPTION (continued)

Section 210.565 refers to placement with relatives. This provision is currently covered in Division policy and practice. There is no fiscal impact.

Generally, 210.617 expands the functions and responsibility of the Missouri State Foster Care and Adoption Board, which will increase reimbursement costs to the Division; however the Division anticipates that these costs will be minimal and will be absorbed by the Division.

Upon further review, CD interprets section 210.112 to mean all recruitment, licensing, and retention activities for foster and adoptive parents in areas of the state included in the contract shall be provided exclusively by the contracted entity. The requirement to be licensed by the contracted entity would include not only current placements with the contracted entity, but would also include all children placed and case managed by CD. The Division is unsure how this would be implemented; therefore the fiscal impact is zero to unknown.

Officials from the **Department of Revenue** states the Department will need to make form changes. The Department and ITSD-DOR will need to make programming changes to various tax systems. The IT portion of the fiscal impact is estimated with a level of effort valued at \$15,476. The value of the level of effort is calculated on 584 FTE hours.

Oversight assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

Oversight notes that this proposal would create a fund which shall consist of gifts, donations, transfers, and moneys appropriated by the General Assembly. Oversight assumes the fund would receive some gifts, etc, but Oversight assumes that all or virtually all of this funding would be transferred or appropriated from the General Revenue Fund. Since this would be based upon an appropriation, Oversight will reflect the funding as a \$0 (no appropriation) to an unknown amount.

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

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE FUND			
<u>Transfer Out</u> - Department of Social Services			
Transfer to the Foster Care and Adoptive Parents Recruitment and Retention Fund	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
FOSTER CARE AND ADOPTIVE PARENTS RECRUITMENT AND RETENTION FUND			
<u>Transfer In</u> - Department of Social Services			
Appropriation, Gifts or Donations	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
<u>Costs</u> - Department of Social Services			
Program Costs	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
ESTIMATED NET EFFECT ON FOSTER CARE AND ADOPTIVE PARENTS RECRUITMENT AND RETENTION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Sections 143.1015, 210.112, 210.498, 210.565, 210.566, 210.617 & 453.600:

This legislation creates a Foster Care and Adoptive Parents Recruitment and Retention Fund. The fund is to be used for promoting foster care and adoption recruitment programs. Expenditures can include promotional printings, advertisements, flyers, posters, billboards, radio spots, exhibits, a toll-free informational phone number, foster parent newsletters and photo displays of children awaiting permanency from foster care. Small businesses may eventually be contacted to provide these goods and services.

FISCAL DESCRIPTION

Sections 143.1015, 210.112, 210.498, 210.565, 210.566, 210.617 & 453.600:

The proposed legislation creates the Foster Care and Adoptive Parents Recruitment and Retention Fund, changes the laws regarding foster care case management contracts and foster care placement and sibling placement, and establishes the Missouri State Foster Care and Adoption Board.

FOSTER CARE AND ADOPTIVE PARENTS RECRUITMENT AND RETENTION FUND:

In each taxable year beginning on or after January 1, 2011, an individual or corporation that is entitled to a tax refund is authorized to make a designation of \$1 or more on a single return or \$2 or more on a combined return to the newly created Foster Care and Adoptive Parents Recruitment and Retention Fund. An individual or corporation that is not entitled to a tax refund can make a contribution to the fund by a separate check, draft, or other negotiable instrument.

FOSTER CARE CASE MANAGEMENT CONTRACTS:

The Children's Division within the Department of Social Services must include in any foster care case management contract a provision that all recruitment, licensing, and retention activities for foster and adoptive parents in the areas of the state included in the contract must be provided exclusively by the contracted entity. The division is allowed to enter into additional family foster care case and adoptive resources in the areas of the state not already included in a contract.

FOSTER CARE PLACEMENT:

The bill establishes the following order of the preference for placement of a child in foster care: grandparents and relatives, a trusted adult who has a pre-existing relationship with the child, foster parents who share the same religious background as the child, and any foster parent who is currently licensed and capable of accepting placement of the child. Any person receiving a preference must be licensed in an expedited manner if a child is placed under the person's care.

FISCAL DESCRIPTION (continued)

SIBLING PLACEMENT:

The division is required to make reasonable efforts to place siblings in the same foster care, kinship, guardianship, or adoptive placement unless doing so would be contrary to the safety or well-being of any of the siblings. If siblings are not placed together, the division must make reasonable efforts to provide frequent visitation or other ongoing interaction between siblings unless this interaction would be contrary to a sibling's safety or well-being.

MISSOURI STATE FOSTER CARE AND ADOPTION BOARD:

The Missouri State Foster Care and Adoption Board is established to provide consultation and assistance to the Department. The board must draft and provide an independent review of the policies and procedures of the division related to the provision of foster care and adoption in Missouri. The board must determine the nature and content of in-service training which must be provided to foster and adoptive parents in order to improve these services to children statewide. The additional duties of the board are specified.

The board must be comprised of foster and adoptive parents from each of the division's seven areas. Area members must be appointed by the Governor, with the advice and consent of the Senate, from recommendations by regional foster care and adoption boards or other similar entities. Statewide foster care and adoption association representatives must be voting members of the board. The board must annually provide the Director of the Department of Social Services; Governor; Office of the Child Advocate; and upon request, members of the General Assembly a written report of its activities.

The provisions regarding the Foster Care and Adoptive Parents Recruitment and Retention Fund will expire six years from the effective date.

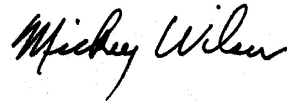
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services
Department of Revenue
Department of Mental Health
Department of Elementary and Secondary Education
Office of Administration-Administrative Hearing Commission
Department of Insurance, Financial Institutions and Professional Registration

SOURCES OF INFORMATION (continued)

Missouri Governor
Department of Health and Senior Services
Office of the Attorney General
Missouri State Treasurer
Office of the State Courts Administrator

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 15, 2011