

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0542-07
Bill No.: SCS for HCS for HB 431
Subject: Children and Minors; Department of Social Services
Type: Original
Date: May 6, 2011

Bill Summary: This legislation modifies provisions relating to vulnerable persons.

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	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
Total Estimated Net Effect on General Revenue Fund	Unknown to (Unknown)	Unknown to (Unknown)	Unknown 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 10 pages.

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

*Income and cost would net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	.5 FTE	.5 FTE	.5 FTE
Federal	.5 FTE	.5 FTE	.5 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 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 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, Office of Administration-Administrative Hearing Commission, Missouri Governor, Missouri State Treasurer** and the **Department of Elementary and Secondary Education** each assume the proposal would have no fiscal impact on their respective agencies.

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.

In response to a previous version of this proposal, 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.

ASSUMPTION (continued)

Section 660.023:

Officials from the **Department of Health and Senior Services** assume this section requires the creation of a telephony tracking system pilot project in Jackson, Cass, and Clay counties.

Assumptions

The Division of Senior and Disability Services (DSDS) assumes that a statewide contract would be established to operate the pilot project. For the purposes of this fiscal estimate, it is assumed the costs would be covered by the Medicaid administrative match rate of 50 percent General Revenue/ 50 percent federal funds. However, if the Centers for Medicare and Medicaid determined it is not an allowable administrative cost, the funding would have to be from General Revenue only.

Personal Services & E&E

DSDS estimates it will need one Aging Program Specialist (APS) II to oversee the bid process; perform contract monitoring activities; field inquiries; resolve issues and complaints related to vendors, providers, and other interested parties; troubleshoot system implementation issues; act as a liaison between HCB providers and the telephony vendor; and provide training to HCB providers as necessary. Since the operational date is July 1, 2012, DSDS assumes the APS II will begin work with the effective date of the legislation. Standard per FTE expense and equipment is included in the fiscal estimate.

Contract Costs

The Department assumes the contract would be competitively bid. For fiscal note purposes, the Department estimates the contract costs include a one-time licensing fee of \$100,000, an implementation fee of \$258,000, and an annual administrative fee of \$75,000. In addition visit verification costs would include \$0.15 per transaction, which is estimated at \$221,286 ($2,837 \text{ in-home clients} \times 5 \text{ visits per week} \times 52 \text{ weeks} = 1,475,240 \times \$0.15 \text{ per transaction} = \$221,286$).

There would also be initial training fees of \$675 per agency and a monthly maintenance fee of \$50 (\$600 annually) per agency. Because the number of participating provider agencies is unknown, DSDS cannot provide an estimate of the cost for training and maintenance.

Estimated Savings

DSDS cannot estimate the cost savings that may be associated with implementation of this pilot project.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE FUND			
<u>Savings</u> - Department of Health and Senior Services (Section 660.023)			
Program Savings	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>Transfer Out</u> - Department of Social Services (Sections 143.1015, 210.112 - 210.617 & 453.600)			
Transfer to the Foster Care and Adoptive Parents Recruitment and Retention Fund	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
<u>Costs</u> - Department of Health and Senior Services (Section 660.023)			
Personal Service	(\$16,125)	(\$19,544)	(\$19,739)
Fringe Benefits	(\$8,456)	(\$10,249)	(\$10,351)
Equipment and Expense	(\$7,925)	(\$333,456)	(\$154,612)
Program Costs	\$0	(Unknown)	(Unknown)
<u>Total Costs</u> - DHSS	<u>(\$32,506)</u>	<u>(\$363,249 to Unknown)</u>	<u>(\$184,702 to Unknown)</u>
FTE Change - DHSS	.5 FTE	.5 FTE	.5 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
Estimated Net FTE Change for General Revenue Fund	.5 FTE	.5 FTE	.5 FTE

**FOSTER CARE AND ADOPTIVE
 PARENTS RECRUITMENT AND
 RETENTION FUND**

Transfer In - DSS (Sections 143.1015,
 210.112 - 210.617 & 453.600)

Appropriation, Gifts or Donations

\$0 to Unknown

\$0 to Unknown

\$0 to Unknown

Costs - Department of Social Services
 Program Costs (Sections 143.1015,
 210.112 - 210.617 & 453.600)

\$0 to
(Unknown)

\$0 to
(Unknown)

\$0 to
(Unknown)

**ESTIMATED NET EFFECT ON
 FOSTER CARE AND ADOPTIVE
 PARENTS RECRUITMENT AND
 RETENTION FUND**

\$0

\$0

\$0

FEDERAL FUNDS

Income - Department of Health and
 Senior Services (Section 660.023)

Federal Assistance

\$38,160

\$370,101 to
Unknown

\$191,623 to
Unknown

Costs - Department of Health and Senior
 Services (Section 660.023)

Personal Service

(\$16,125)

(\$19,544)

(\$19,739)

Fringe Benefits

(\$8,456)

(\$10,249)

(\$10,351)

Equipment and Expense

(\$7,925)

(\$333,456)

(\$154,612)

Program Costs

(\$5,654)

(\$6,852 to
Unknown)

(\$6,921 to
Unknown)

Total Costs - DHSS

(\$38,160)

(\$370,101 to
Unknown)

(\$191,623 to
Unknown)

FTE Change - DHSS

.5 FTE

.5 FTE

.5 FTE

**ESTIMATED NET EFFECT ON
 FEDERAL FUNDS**

\$0

\$0

\$0

Estimated Net FTE Change for Federal
 Funds

.5 FTE

.5 FTE

.5 FTE

SEC:LR:OD (12/02)

FISCAL IMPACT - Local Government

FY 2012
(10 Mo.)

FY 2013

FY 2014

\$0

\$0

\$0

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.

Section 660.023:

Small Home and Community Based (HCB) Services providers may incur a cost to implement and operate the system and train their staff.

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.

FISCAL DESCRIPTION (continued)

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.

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.

FISCAL DESCRIPTION (continued)

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

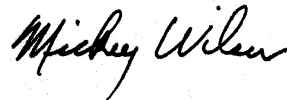
Section 660.023:

This legislation creates a tracking system pilot project.

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



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