

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0920-03
Bill No.: HCS for HB 555
Subject: Juvenile Courts; Children with Minors; Disabilities
Type: Original
Date: March 16, 2011

Bill Summary: This proposal encompasses many provisions relating to disabilities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(\$170,144)	(\$211,524)	(\$219,139)
Total Estimated Net Effect on General Revenue Fund	(\$170,144)	(\$211,524)	(\$219,139)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Developmental Disabilities Waiting List Equity Trust	More than \$100,000	More than \$100,000	More than \$100,000
Mental Health Hearings Fund	Unknown - less than \$100,000	Unknown - less than \$100,000	Unknown - less than \$100,000
Total Estimated Net Effect on Other State Funds	More than \$100,000	More than \$100,000	More than \$100,000

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 11 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Federal Funds*	\$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
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

Officials from the **Department of Corrections, Office of the State Treasurer, Department of Health and Senior Services, Department of Insurance, Financial Institutions and Professional Registration, Department of Agriculture, Office of the State Courts Administrator, Department of Transportation, Department of Public Safety, Department of Labor and Industrial Relations, Office of the State Public Defender, and the Office of Administration - Facilities Management, Design and Construction** each assume the proposal would not fiscally impact their respective agencies.

In response to a similar version of this proposal, officials from the **Office of the Secretary of State (SOS)** assumed 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 Secretary of State's Office 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, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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.

Section 143.1017 - Check off for the Developmental Disabilities Waiting List Equity Trust Fund:

Officials from the **Department of Mental Health (DMH)** state this creates a dedicated fund to provide community services and supports to people with developmental disabilities and their families. The fund is to consist of donations received from individual income tax refunds. DMH states it is impossible to estimate how much revenue would be received from the donations.

In response to a similar proposal from this year (HB 631), officials from the **Department of Revenue (DOR)** stated there would be no administrative impact to their organization, but they provided an estimate of the IT impact to implement the proposal of \$15,476 based on 584 hours of programming to make changes to several DOR systems.

ASSUMPTION (continued)

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

In response to a similar proposal from this year (HB 631), officials from the **Office of Administration, Division of Budget and Planning (BAP)** stated that this proposal would create an income check-off to benefit a fund established in this proposal: the Developmental Disabilities Waiting List Equity Trust Fund. Taxpayers could designate a portion of their refund to the fund, and taxpayers could also write a check for donations to the fund.

To the extent the check-off is used, this proposal would increase total state revenues. BAP notes that \$324,237 in designations were made via income tax check-off in FY10.

Oversight assumes that the participation rate and the amount of revenue which would be provided for the Developmental Disabilities Waiting List Equity Trust Fund through this proposed check-off program are unknown.

Oversight notes that the Office of Administration, Division of Budget and Planning response indicated a total of \$324,327 in donations for all income tax check-off programs during FY 2010. For fiscal note purposes, Oversight will indicate annual revenue in excess of \$100,000 for the Developmental Disabilities Waiting List Equity Trust Fund. The program would be effective for tax years beginning January 1, 2011, and Oversight assumes the donations would be made from refunds beginning in January, 2012 (FY 2012).

Section 162.946 - designates October as “Disability History and Awareness Month” in all public schools;

In response to a similar proposal from this year (HCS for HB 556), officials from the **Department of Social Services - Division of Youth Services** assumed the cost for DOS-DYS would be to supply instructional materials to teachers, create curriculum guidelines, and enforce the legislation’s provisions. The cost is unknown, but less than \$100,000. Most of the expense is anticipated to be staff time required to update and develop the school curriculum and to develop materials.

Oversight assumes, based on responses from individual school districts, that costs associated with this proposal would be minimal and can be absorbed with existing resources.

ASSUMPTION (continued)

Officials from the **Department of Elementary and Secondary Education** assume there would be expenses to school districts in the form of training teachers and acquiring appropriate materials regarding Section 162.946. Time would be required to design curriculum or special activities. DESE does not anticipate these expenses will be significant.

In response to a similar proposal from this year (HCS for HB 556), officials from the **Special School District of St Louis County** stated this proposed legislation is not expected to have a fiscal impact on their district as they currently provide disability awareness.

In response to a similar proposal from this year (HCS for HB 556), officials from the **Independence School District** assumed little, if any, fiscal impact to their district resulting from this proposed legislation.

In response to a similar proposal from this year (HCS for HB 556), officials from the **Parkway School District** stated this part of the proposal will have no fiscal impact on their district.

In response to a similar proposal from this year (HCS for HB 556), officials from **Missouri State University, Missouri Western State University, Missouri Southern State University, University of Central Missouri, Lincoln University, Linn State Technical College, University of Missouri, Northwest Missouri State University, and Metropolitan Community College of Kansas City** stated this part of the proposal will have no fiscal impact on their respective institutions.

Section 208.152 - adds comprehensive day rehabilitation services:

In response to a similar proposal from this year (HB 558), officials from the **Department of Social Services-MO HealthNet Division (MHD)** assumed this legislation expands the Comprehensive Day Rehabilitation program to all adult participants. The services must be based on an individualized, goal-oriented, comprehensive and coordinated treatment plan. The MHD shall establish the definition and criteria for designation of a comprehensive day rehabilitation service facility, the benefit limitations and the payment mechanism utilizing the expertise of brain injury rehabilitation service providers and the Missouri Head Injury Advisory Council. The services must be provided in a community based facility and be authorized on tier levels based on the services the patient requires and the frequency of the services as guided by a qualified rehabilitation professional associated with a health care home.

ASSUMPTION (continued)

In FY10 there was one individual under the age of 21 with claims filed under this program. Therefore, to project costs if this program was expanded, the number of participants using the program in FY05 (when the program was available to all adults) and their costs were obtained. There were 89 adults in a category of assistance other than a category that is currently eligible for the program (under age 21, blind individuals, pregnant women or nursing home residents) who received services through the Comprehensive Day Rehabilitation program. The fee for service cost for their services in FY05 was \$526,728. It is assumed that about the same number of individuals would use the program if it were expanded. Therefore, the SFY05 cost is used as the base for estimating future costs. The rates for this program have not changed since 2005 so no inflation was applied to the costs from FY05 to FY11. A 3.6% inflation factor was applied to FY12 through FY14.

The cost to the fee-for-service program will be \$565,335 in the first full year of the program.

In addition, the MHD contracts with managed care health plans to provide medical assistance to individuals eligible under Section 208.151. The MHD assumes this legislation will apply to the managed care health plans. The total annual amount deducted from payments to the managed care health plans in FY06 (first year reductions were implemented) due to the reduction of eligibility for this service was \$10,125. Therefore, this figure was used as a base to estimate the cost to add this service back into the services offered to all adults. No inflation was added from FY05 to FY11. A 3.6% inflation factor was added to FY12 through FY14.

The cost to the managed care program will be \$10,868 in the first full year of the program.

The total cost to MHD in the first full year will be \$576,203 (\$565,335 + \$10,868).

FY12 (10 mths):	Total \$463,483 (GR \$170,144);
FY13 (12 mths):	Total \$576,203 (GR \$211,524); and
FY14 (12 mths):	Total \$596,946 (GR \$219,139).

Section 208.955 - increases the number of the MO HealthNet Oversight Committee;

In response to HB 561 from this year, officials from the **Department of Social Services (DSS)** assumed there is no fiscal impact to the DSS. Based on the historical cost of expenses reimbursed to committee members, the annual cost per member is \$175. Since this is a minimal amount, MO HealthNet Division can absorb the cost of adding one member to the committee.

ASSUMPTION (continued)

Section 630.053 & 630.095 - allows the Mental Health Earnings Fund to be used for the deposit of revenue received from the proceeds of any sales and services from Mental Health First Aid USA.

Officials from the **Department of Mental Health (DMH)** state the proposed section 630.053.5 allows the Mental Health Earnings Fund (MHEF) for the deposit of revenue received from the proceeds of any sales and services from Mental Health First Aid USA. These proceeds are to be used for the purpose of funding Mental Health First Aid USA activities. The Department of Mental Health, Office of Transformation has collaborated with the State of Maryland, the National Council for Community Behavioral Healthcare, and Mental Health First Aid (MHFA) founders to create the Mental Health First Aid-USA program. Missouri DMH will be included in authorship and copyright of the MHFA-USA manual and instructor training manual/kit. It is unknown at this time how wide spread the use of MHFA will be and how much revenue would potentially be realized as a result of MHFA training and the sale of materials. As a result, DMH assumes an unknown, < \$100,000 impact to the Mental Health Earnings Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE FUND			
Costs - Department Social Services Program Costs (Section 208.152)	<u>(\$170,144)</u>	<u>(\$211,524)</u>	<u>(\$219,139)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
	<u>(\$170,144)</u>	<u>(\$211,524)</u>	<u>(\$219,139)</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2012 (10 Mo.)	FY 2013	FY 2014
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**DEVELOPMENTAL DISABILITIES
 WAITING LIST EQUITY TRUST
 FUND**

<u>Revenue</u> - donations from Section 143.1017	<u>More than \$100,000</u>	<u>More than \$100,000</u>	<u>More than \$100,000</u>
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ESTIMATED NET EFFECT ON DEVELOPMENTAL DISABILITIES WAITING LIST EQUITY TRUST FUND	<u>More than \$100,000</u>	<u>More than \$100,000</u>	<u>More than \$100,000</u>
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**MENTAL HEALTH EARNINGS
 FUND**

<u>Income</u> - Department of Mental Health Sales and training revenues of MHFA-USA information (Sections 630.053 & 630.095)	<u>Unknown - less than \$100,000</u>	<u>Unknown - less than \$100,000</u>	<u>Unknown - less than \$100,000</u>
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ESTIMATED NET EFFECT TO THE MENTAL HEALTH EARNINGS FUND	<u>Unknown - less than \$100,000</u>	<u>Unknown - less than \$100,000</u>	<u>Unknown - less than \$100,000</u>
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FEDERAL FUNDS

<u>Income</u> - Department of Social Services Federal Assistance (Section 208.152)	<u>\$293,339</u>	<u>\$364,679</u>	<u>\$377,807</u>
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<u>Costs</u> - Department of Social Services Program Costs (Section 208.152)	<u>(\$293,339)</u>	<u>(\$364,679)</u>	<u>(\$377,807)</u>
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ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<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

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Section 143.1017 would create a tax refund check-off for the Developmental Disabilities Waiting List Equity Trust Fund.

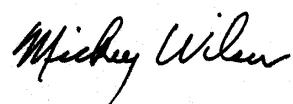
Section 208.152 adds comprehensive day rehabilitation services beginning soon after trauma as part of a coordinated system of care for individuals with disabling impairments to the list of services covered under MO HealthNet. Services must be provided in a community-based facility and be authorized on tier levels based on the services and frequency of services the patient requires as guided by a qualified rehabilitation professional associated with a health care home.

Sections 630.053 & 630.095 allows the Mental Health Earnings Fund to be used for the deposit of revenue received from the proceeds of any sales and services from Mental Health First Aid USA. Subject to the approval through the appropriation process, the proceeds must be used to fund Mental Health First Aid USA activities and must be accounted for separately from all other revenues deposited into the fund. The Department of Mental Health is not required to pay the fund for proceeds made from these sales and services.

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 Agriculture
Office of Administration - Budget and Planning
Office of the State Courts Administrator
Department of Elementary and Secondary Education
Department of Transportation
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Corrections
Department of Health and Senior Services
Department of Labor and Industrial Relations
Department of Revenue
Department of Social Services
Department of Public Safety
Office of Administration
Office of the Secretary of State
Office of the State Public Defender
Office of the State Treasurer
Special School District of St Louis County
Independence School District
Parkway School District
Missouri State University
Missouri Western State University
Missouri Southern State University
University of Central Missouri
Lincoln University
Linn State Technical College
University of Missouri
Northwest Missouri State University
Metropolitan Community College of Kansas City



L.R. No. 0920-03
Bill No. HCS for HB 555
Page 11 of 11
March 16, 2011

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