

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4898-01
Bill No.: SB 679
Subject: Children and Minors; Family Law; Higher Education
Type: Original
Date: February 17, 2014

Bill Summary: This proposal modifies laws regarding educational parental support for higher education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Social Services - Family Support Division (FSD)** assumes that effective August 28, 2014, FSD will cease collection of current child support for children age 18 and older unless a court order extends child support beyond age 18 for child-specific reasons under existing subsection 452.340.4.

FSD would continue to collect any past-due child support owed as of the date the child no longer meets criteria for continued child support under §452.340. If the court orders a sum-certain educational support obligation payable to a parent or the child (not the educational institution) under §452.339, with trusteeship ordered through the Family Support Payment Center, FSD may provide IV-D services to collect the educational support on behalf of the obligee.

The proposed legislation would require FSD's child support program to change its policy, procedures and forms. These changes could be accomplished with existing staff. FSD would need to notify support obliges receiving IV-D services who would immediately or within one year be affected by the change in law that the division will terminate collection of current child support for children age 18 or older effective August 28, 2014, unless there is a court order extending support past age 18 for child-specific reasons. FSD estimates that the number of obligees and obligors affected within the first year after passage of the bill (obligees and obligors with children at least age 17 receiving current support as of August 28, 2014) is 42,783. FSD would incur an estimated cost of \$17,541 (\$5,964 state share) for mailing approximately 42,783 one time notices to child support obligees and obligors for whom the Division would cease collection of current child support for children age 17 or older within one year of August 28, 2014.

Oversight assumes FSD's costs to be minimal and therefore absorbable within current funding levels.

Officials at the **Department of Social Services - Research & Evaluation** assume the MACSS would require modifications. The following is a list of modifications and assumptions:

Modifications

Analysis/Code/Test changes to Termination of Support program	250 hours
Analysis/Code/Test changes related to creation of new debt type	150 hours
New program to generate letter to affected custodial parents	200 hours

ASSUMPTION (continued)

Assumptions

All changes will be made by ITSD staff
Current rate for ITSD staff averages \$63.04 per hour
Match rates for MACSS is 33.33% GR and 66.67% Federal

Therefore, based on the State Staff rate of \$63.04 per hour and the 600 hours that would be involved with the modifications above, the estimated amount would be \$37,824 of which \$12,607 is General Revenue and \$25,217 is Federal Match.

Oversight assumes the Research and Evaluation program costs to be minimal and therefore absorbable within current funding levels.

Officials at the **Department of Higher Education** assume no fiscal impact from this proposal. While this change in responsibility may result in some students attending post-secondary education that would not otherwise, it is assumed this would not change their eligibility status and, as such, would not result in additional costs to the agency or those aid programs.

Officials at the **Office of the State Courts Administrator (CTS)** assume this proposal would not be in excess of \$100,000.

Oversight assumes that any costs from CTS relating to this proposal could be absorbed within their current appropriation level.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<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.

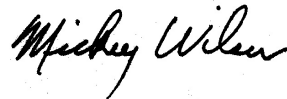
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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 Higher Education
Office of the State Courts Administrator
Department of Social Services - Family Support Division and Research and Evaluation



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February 17, 2014

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Assistant Director
February 17, 2014