

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2462-02
Bill No.: SCS for HB 1149 with SA 1
Subject: Children and Minors; Courts, Juvenile; Crimes and Punishment; Prisons and Jails; Social Services Department
Type: Original
Date: May 6, 2015

Bill Summary: This proposal modifies provisions related to youth in custody of the Division of Youth Services and creates a special class of trust funds for the money of youth in the division's custody.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Social Services**, the **Department of Revenue**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Office of Administration's Division of Accounting**, the **Joint Committee on Administrative Rules**, the **Department of Natural Resources** and the **Office of the State Courts Administrator** each assume no fiscal impact to their respective agencies from this proposal.

In response to a previous version, **Office of the State Treasurer** assumed no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<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

This bill changes the law regarding the Division of Youth Services (DYS) within the Department of Social Services. The bill defines "youth" as a person under 21 years of age committed to the custody of the division. Currently, an offender cannot be employed in a work project if the offender has been convicted of a violent crime or whose conduct while under the control of the division suggests a propensity toward violence. The bill removes this provision and requires that at such time as a youth is considered for participation in a work project, the division must assess the youth and consider history, risk, readiness, and victim impact prior to employment. For any work performed by a youth committed to the division in any state park, the state park board is authorized to pay wages from appropriations made to the state park board.

This bill permits the division to:

- (1) Establish and offer on-the-job vocational training to develop work habits and equip youth committed to the division with marketable skills; and
- (2) Provide for the payment of reasonable wages for work or tasks performed by a youth committed to the division. All payments made to or on behalf of the youth must be property of the youth, however the division may place restrictions on the youth's access to the funds as the division determines appropriate, in the best interests of the youth, and to assure security in the division's facilities. All funds paid to or on behalf of the youth in accordance with this subsection must be deposited in the DYS trust fund.

The bill creates a special class of trust funds to be known as the "DYS Trust Fund" for depositing wages earned by a youth or for other funds provided for the use or benefit of the youth. These funds will be established for each facility where youth are located in the custody of the division throughout the state and the division must deposit money in a DYS trust fund with a financial institution. Any funds not expended by or on behalf of the youth before the youth's release from DYS residential care must be paid to the youth upon release from DYS residential care.

The division must establish by regulation a program for youth to access funds for reasonable purposes while the youth is in DYS residential care and the program must include training for youth on wise money management, maintaining personal financial accounts, and saving money for use after discharge from DYS residential care.

The bill also creates a special trust fund to be known as the "DYS Child Benefits Fund" within the state treasury for depositing of payments from the Social Security Administration to youth in DYS custody. Moneys in this special trust fund must not be deemed to be state funds and must be used only for the purposes specified by federal or state law, or regulation of the division. The state treasurer must be custodian of the fund and may approve disbursements from the fund. The State Treasurer must invest moneys in the fund in the same manner as other funds are invested.

FISCAL DESCRIPTION (continued)

Any funds not expended by or on behalf of the youth before release from DYS residential care must be distributed as required by federal law.

The division may accept an appointment to serve as representative payee or fiduciary, or in a similar capacity for payments to a youth and any money received by the division under this section on behalf of a youth must be deposited in either a DYS trust fund or the DYS Child Benefits Fund and accounted for in the name of the youth or as representative payee of the youth. The division may accept funds which a parent, guardian, or other person wishes to provide for the use or benefit of the youth. The funds must be deposited in a DYS Trust fund in the name of the youth at the DYS facility. Each youth must be furnished annually with a statement listing every transaction involving funds which have been deposited with the division on the youth's behalf, to include all receipts and disbursements.

The division must promptly disburse any balance of money accumulated in the youth's account when the youth is released from DYS residential care or upon death of the youth as specified in the bill. Moneys in the fund may be claimed as specified in the bill and moneys remaining unclaimed after five years must be credited to the state treasury as specified in the bill. The bill prohibits moneys in either fund from being transferred to the General Revenue Fund at the end of each biennium. The provisions of the bill must not be deemed to apply to funds regularly due the state of Missouri for the support and maintenance of youth in the care and custody of the division or collected by the state of Missouri as reimbursement for state funds expended on behalf of the youth.

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
Office of the State Treasurer
Office of the State Courts Administrator
Department of Insurance, Financial Institutions and Professional Registration
Joint Committee on Administrative Rules
Department of Natural Resources
Office of Administration
 Division of Accounting



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May 6, 2015

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May 6, 2015