

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4557-04  
Bill No.: Perfected SCS for SB Nos. 688 & 854  
Subject: Boards, Commissions, Committees, and Councils; General Assembly; Health and Senior Services Department; Medicaid; Mental Health Department; Public Assistance; Social Services Department  
Type: Original  
Date: February 24, 2016

Bill Summary: This proposal establishes the Joint Committee on Public Assistance.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Less than \$265,000)	(Less than \$265,000)	(Less than \$265,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Less than \$265,000)</b>	<b>(Less than \$265,000)</b>	<b>(Less than \$265,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Joint Contingency*	\$0	\$0	\$0
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Transfer-in and expenditures of less than \$265,000 annually, net to \$0.

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Joint Contingency	2	2	2
<b>Total Estimated Net Effect on FTE</b>	<b>2</b>	<b>2</b>	<b>2</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Senate** assume the proposal will have no fiscal impact to the Missouri Senate. However, the language of the proposal establishing a joint committee to study Public Assistance will likely have a fiscal impact ranging from \$75,000 to \$165,000 annually. This estimate is based on current appropriations (rounded) for the Joint Committees of: Education, \$75,000; Administrative Rules, \$124,000; and Retirement Systems, \$165,000. Costs of employment or consulting contracts to investigate MO HealthNet will depend on the area of specialization needed to complete the project. Also, actuarial services and/or economic forecasting for recipient demographics can range greatly; however, contract costs are likely to be less than \$100,000 annually.

Officials from the **Missouri House of Representatives (MHR)** assume the proposal could cost \$0 to \$127,000 per year. This assumes the House would be responsible for up to half of the cost of staff (up to \$125,000 annually), equipment and expenses (up to \$125,000 annually) and committee member (10) expenses for two meetings annually (\$200 per meeting/member or \$4,000). These estimates do not include fringe benefits.

**Oversight** notes expenses proposed by the MHR appear to be in line with information provided by the Senate. Oversight will use the information provided by the Senate because of the costs provided for several joint committees and the inclusion of potential employment/contract costs.

**Oversight** assumes an appropriation will be made for the Joint Contingency Fund and will show a transfer of funds from the General Revenue Fund to the Joint Contingency Fund in an amount of "less than \$265,000" annually to cover the expenses of the Joint Committee on Public Assistance and the contract/consulting costs to investigate public assistance programs. Oversight assumes expenditures will equal funds transferred-in and will net to \$0.

Officials from the **Department of Elementary and Secondary Education (DESE)** state, depending upon the actions of the committee, this proposal could result in costs for the department.

DESE will have access to some state agency information through the Missouri Health Insurance Network (MOHIN) exchange; however, DESE does not collect the data required by this proposal, especially at the district level. The department can capture districts' Medicaid revenue at the end of the year through the ASBR (Annual Secretary of the Board Report), but DESE has no way to project future costs/growth for each school. Potential costs are assumed to be unknown, but could exceed \$100,000 annually.

ASSUMPTION (continued)

**Oversight** assumes MO HealthNet growth projections, including enrollment growth categorized by population and geographic area will be primarily the responsibility of the Department of Social Services and DESE will have minimal costs associated with this provision of the proposal.

Officials from the **Department of Mental Health (DMH)** states this proposal requires the DMH to report state public assistance information to the Joint Committee on Public Assistance. This could create a cost to DMH in terms of gathering, reporting, and transmitting information; however, these costs would be absorbed through current DMH resources.

Officials from the **Department of Health and Senior Services** and the **Department of Social Services, MO HealthNet Division, Family Support Division** and **Division of Legal Services** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2017	FY 2018	FY 2019
	(10 Mo.)		
<b>GENERAL REVENUE FUND</b>			
<u>Transfer-out from General Revenue to</u>			
<u>Joint Contingency Fund (\$208,952)</u>			
Transfer for expenses associated with			
the Joint Committee on MO HealthNet	<u>(Less than</u>	<u>(Less than</u>	<u>(Less than</u>
	<u>\$265,000)</u>	<u>\$265,000)</u>	<u>\$265,000)</u>
<b>ESTIMATED NET EFFECT ON THE</b>			
<b>GENERAL REVENUE FUND</b>			
	<u>(Less than</u>	<u>(Less than</u>	<u>(Less than</u>
	<u>\$265,000)</u>	<u>\$265,000)</u>	<u>\$265,000)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
<b>JOINT CONTINGENCY FUND</b>			
<u>Transfer-in</u> - from General Revenue (\$208.952)			
Transfer-in to cover expenses of the Joint Committee on Public Assistance	Less than \$265,000	Less than \$265,000	Less than \$265,000
 <u>Costs</u> - Joint Committee on Public Assistance (\$208.952)			
Expenses related to monitoring and reviewing information related to public assistance programs including 2 FTE	<u>(Less than \$265,000)</u>	<u>(Less than \$265,000)</u>	<u>(Less than \$265,000)</u>
 <b>ESTIMATED NET EFFECT ON THE JOINT CONTINGENCY FUND</b>			
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
Estimated Net FTE Effect on the Joint Contingency Fund	2 FTE	2 FTE	2 FTE
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act modifies the Joint Committee on MO HealthNet to create a permanent Joint Committee on Public Assistance. The committee shall have as its purpose the study of the efficacy of public assistance programs within the state, determine the resources needed to continue and improve the

FISCAL DESCRIPTION (continued)

programs, and develop recommendations on how to reduce dependency and promote public assistance recipient self-sufficiency as may be appropriate. The committee shall receive and obtain information from the departments of Social Services, Mental Health, Health and Senior Services, Elementary and Secondary Education, and any other department as applicable, regarding projected enrollment growth, budgetary matters, and any other information deemed relevant to the committee's purpose.

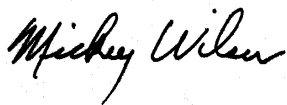
The committee shall meet at least twice a year. A portion of the meeting shall be set aside for public testimony. The committee is authorized to hire staff and enter into employment contracts, including an executive director, to conduct special reviews or investigations of the state's public assistance programs. The committee shall also conduct an annual rolling 5-year forecast of the state's public assistance programs and make recommendations to the General Assembly.

This act also repeals a section of law relating to a rolling 5-year MO HealthNet forecast conducted by the Legislative Budget Office.

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 Elementary and Secondary Education  
Department of Health and Senior Services  
Department of Mental Health  
Department of Social Services -  
    MO HealthNet Division  
    Family Support Division  
    Division of Legal Services  
Missouri House of Representatives  
Missouri Senate



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