

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4557-05
Bill No.: HCS for 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: April 27, 2016

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Up to \$300,000)	(Up to \$300,000)	(Up to \$300,000)
Total Estimated Net Effect on General Revenue	(Up to \$300,000)	(Up to \$300,000)	(Up to \$300,000)

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	2	2	2
Total Estimated Net Effect on FTE	2	2	2

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 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

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 for staff will depend on the area of specialization. Actuarial services and/or economic forecasting for recipient demographics can range greatly; however, contract costs are likely to be less than \$100,000 annually.

In response to the previous version of this proposal, officials from the **Missouri House of Representatives (MHR)** assumed 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 in the TAFP'd CCS for SCS for HCS for HB 2012 that a \$300,000 appropriation of General Revenue funds for FY 2017 has been made for the Joint Committee on MO HealthNet. This proposal, among other things, changes the name of the Joint Committee on MO HealthNet to the permanent Joint Committee on Public Assistance. Oversight will show a cost of "Up to \$300,000" for expenses associated with the Joint Committee on Public Assistance and the contract/consulting costs to investigate public assistance programs.

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.

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.

ASSUMPTION (continued)

Officials from the **Department of Mental Health (DMH)** state 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 (10 Mo.)	FY 2018	FY 2019
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GENERAL REVENUE FUND

Costs - Joint Committee on Public Assistance (\$208,952)

Expenses associated with the Joint Committee on Public Assistance, personnel and consulting costs

	<u>(Up to \$300,000)</u>	<u>(Up to \$300,000)</u>	<u>(Up to \$300,000)</u>
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ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND

	<u>(Up to \$300,000)</u>	<u>(Up to \$300,000)</u>	<u>(Up to \$300,000)</u>
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Estimated Net FTE Effect on the General Revenue Fund

	2 FTE	2 FTE	2 FTE
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FISCAL IMPACT - Local Government

	FY 2017 (10 Mo.)	FY 2018	FY 2019
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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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 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.

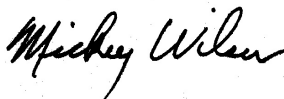
The committee shall meet at least twice a year. A portion of the meeting shall be set aside for public testimony. The committee is authorized to hire staff and enter into employment contracts, including an executive director, to conduct special reviews or investigations of the state's public assistance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



L.R. No. 4557-05
Bill No. HCS for SCS for SB Nos. 688 & 854
Page 6 of 6
April 27, 2016

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