

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5536-02
Bill No.: CCS for SB 819
Subject: Adoptions; Boards, Commissions, Committees and Councils; Children and Minors; Children’s Division; Courts; Crimes and Punishment; Domestic Relations; Family Law; General Assembly; Guardians; Health Care Professionals; Highway Patrol; Physicians; Social Services Department; Social Workers; Vital Statistics; Youth Services Division
Type: Original
Date: May 17, 2018

Bill Summary: This proposal modifies provisions of law relating to the protection of children.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(\$70,235)	(Unknown, greater than \$79,836)	(Unknown, greater than \$81,214)
Total Estimated Net Effect on General Revenue	(\$70,235)	(Unknown, greater than \$79,836)	(Unknown, greater than \$81,214)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Criminal Records	Less than \$100,000	Less than \$100,000	Less than \$100,000
Total Estimated Net Effect on Other State Funds	Less than \$100,000	Less than \$100,000	Less than \$100,000

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 14 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Savings and losses less than \$100,000 annually and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	1	1	1
Total Estimated Net Effect on FTE	1	1	1

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 2019	FY 2020	FY 2021
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

§37.940 Social Innovation Grant Program

In response to similar legislation (HB 2238), officials from the **Office of Administration - Commissioners Office (OA)** assume 1 FTE, an Executive Director (\$74,000/annually), would need to be hired to meet the obligations outlined in this proposal. The new FTE would need computer equipment, phones and network services. The office would also need a printer, copier, fax machine, etc. Rental space would also be required for the new FTE that would need to be hired to staff the new office.

Since the dollar amount and the number of grants to be awarded to nonprofit organizations are unknown, for fiscal note purposes, **Oversight** will reflect a negative unknown fiscal impact to the General Revenue Fund for FY 2020 and FY 2021.

In response to similar legislation (HB 2238), officials from the **Office of the Governor** assumed section 37.940 establishes the "Social Innovation Grant Program" to which the Governor shall appoint an executive director to oversee the program. Any costs associated with the Executive Director will be addressed in the OA's fiscal note response. There should be no added cost to the Governor's Office as a result of this measure. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be the need for additional staff resources in future years.

In response to similar legislation (HB 2238), officials from the **Office of Administration - Information Technology Services Division**, the **Missouri House of Representatives** and the **Office of the Lieutenant Governor** each assumed the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

§§191.737, 191.739, 210.110 and 210.112 - Assessment and treatment services for children

Officials from the **Department of Social Services (DSS)**, **Children's Division (CD)**, the **MO HealthNet Division (MHD)**, the **Division of Legal Services (DLS)**, the **Family Support Division (FSD)** and the **Division of Youth Services (DYS)** state the proposal amends three sections relating to abused or neglected children.

Section 191.737 is amended to provide that any physician or health care provider shall refer to the DSS families in which children may have been exposed to a controlled substance listed in section 195.017, schedules I, II and III, or alcohol. This section previously allowed physicians and health care providers the option of making a referral to the Department of Health and Senior Services and required DHSS to then notify DSS within 72 hours.

Section 191.739 is amended to delete a requirement prohibiting a department from closing a file in which services are being provided for a child exposed to substances as set forth in section 191.737 unless a physician or health care provider has authorized the closure of such file.

Section 210.110 is amended to change the definition of "assessment and treatment services" to include all children, not just those children under ten years old. Pursuant to this definition, a developmental and medical assessment may be completed for any foster child within thirty days of the child's entry into custody and, as long as the child remains in care, in accordance with the periodicity schedule set forth by the American Academy of Pediatrics.

MHD reported approximately 1,754 foster care kids under 10 years old that received more than 2 EPSDT (Early and Periodic Screening, Diagnosis and Treatment) services in a calendar year. (MHD cannot determine if any of the visits after the 1st visit were due to the current statute or if there was a medical necessity). The average cost of these 1,754 visits is \$72.17.

If the proposed legislation passes, MHD assumes the 2nd (or any un-medically necessary visit after the initial assessment following the American Academy of Pediatric guidelines) would no longer be billed to MHD.

MHD estimates a total savings for FY19/FY20/FY21 of \$126,586 (GR: \$44,048; FF: \$82,538)

§193.265 - Free certificates for certain children

Officials from the **Department of Health and Senior Services (DHSS)** state Section 193.265.1 of this proposed legislation states no fee shall be required or collected for a certification of birth, death, or marriage if the request is made by the Children's Division (CD) or the Division of

ASSUMPTION (continued)

Youth Services (DYS) on behalf of a child who has come under juvenile court jurisdiction per section 211.031. Per Section 193.265, RSMo, DHSS receives a fee of \$15 for each certified birth certificate, marriage and divorce statement issued. The fees are distributed into General Revenue (\$4), the Children's Trust Fund (\$5), the Endowed Care Cemetery Audit Fund (\$1) and the Missouri Public Health Services (MOPHS) Fund (\$5).

The DHSS began issuing one free copy of a certified birth certificate to the CD on behalf of a child in foster care starting August 2017. Prior to this date, DHSS issued non-certified administrative use copies only upon the request of the CD. These were provided free of charge and DHSS would recoup the cost of issuance once a certified copy was requested.

The total requests from the Children's Division have increased, on average, 5 percent each year since 2015. Given that this proposed legislation will require DHSS to also provide a free certified copy of deaths and marriages to the CD, a free certified copy of births, deaths, and marriages to the DHS, and the legislation contains no provisions for limiting the number of copies requested per individual under jurisdiction, DHSS estimates a 30 percent increase in requests once the legislation becomes effective. In subsequent years, DHSS anticipates the continued 5 percent increase. As of December 15, 2017, DHSS has received 3,413 requests from the Children's Division for 2017. Using 2017 data as a base, DHSS estimates 4,437 (3,413 requests x 30% increase = **1,024** + 3,413 = 4,437) requests for FY 2019; 4,659 (4,437 x 5% increase = **222** + 4,437 = 4,659) requests for FY 2020; and 4,892 (4,659 x 5% = **233** + 4,659 = 4,892) requests for FY 2021. This equates to a difference from current issuance of 1,024 certificates for FY 2019, 1,246 certificates for FY 2020 (1,024 + 222), and 1,479 certificates for FY 2021 (1,024 + 222 + 233).

The fees collected on certified copies are deposited into the MOPHS fund (\$5 per certificate) and are allocated to the Bureau of Vital Records for program operations. MOPHS revenue supports the maintenance of Missouri's electronic birth and death registration system (MoEVR), staff to process all requests, and specialized print paper. The maintenance of the MoEVR system is critical for the accurate and timely processing of Missouri birth and death certificates and Bureau of Vital Records staff have a current back log of eight weeks. The revenue lost from issuing these additional certificates necessitates the need to seek general revenue funds to supplant the loss.

ASSUMPTION (continued)

	General Revenue (\$4/certificate)	Children’s Trust Fund (\$5/certificate)	Endowed Care Cemetery Audit Fund (\$1/certificate)	Missouri Public Health Services (MOPHS) Fund (\$5/certificate)
FY 2019 (1,024 certificates)	\$4,096	\$5,120	\$1,024	\$5,120
FY 2020 (1,243 certificates)	\$4,984	\$6,230	\$1,246	\$6,230
FY 2021 (1,479 certificates)	\$5,916	\$7,395	\$1,479	\$7,395

With the expected increase in requests, coupled with the current back-log of requests to all customers (eight week turn-around), the additional requests necessitates the need for 0.5 FTE of a Senior Office Support Assistant (\$26,340 annually) to process the requests within a timely manner. Processing entails reviewing the application and making a determination on whether the applicant has provided sufficient information to identify the record, and either reject the application or issue the certified copy. Without additional staff, the back-log of requests will increase the turn-around time to all customers significantly.

The DHSS estimates the fiscal impact of this proposal to the General Revenue Fund to be a cost + loss of certificate revenue of \$44,125 for FY 2019; \$43,531 for FY 2020; and \$46,043 for FY 2021. In addition, there will be a loss of certificate revenue to the Children’s Trust Fund, the MOPHS fund and the Endowed Care Cemetery Fund for each year.

Officials from the **Department of Social Services (DSS), Division of Youth Services (DYS), Children’s Division (CD) and Division of Legal Services (DLS)** state this proposal amends Section 193.265, RSMo stating that the DYS and CD shall not be charged a fee for the issuance of a certification of birth, death or marriage on the behalf of a child who has come under the jurisdiction of the juvenile court under Section 210.031.

DYS officials state the DYS requests no more than 100 birth certificates a year for youth in its custody. Currently, the DYS is charged \$15 per birth certificate. Therefore, if CCS for SB 819 is enacted, the DYS would have a cost savings of up to \$1,500 per year.

Oversight assumes savings up to \$1,500 for the DSS, DYS to be minimal and will not present these savings for fiscal note purposes.

ASSUMPTION (continued)

The CD states it is not currently being charged for certification of birth, death or marriage for children in the Division’s custody. Therefore, this legislation would not create a fiscal or programmatic impact on the CD.

DLS officials assume the proposal will have no fiscal impact on their division.

Oversight notes, based on discussions with Department of Social Services personnel, of the number of children that are under the care and control of the department, very few are under the “jurisdiction of the juvenile court” as provided for in 193.265.1 of the proposal. Therefore, Oversight assumes DHSS will not have a significant increase in the number of certificates it issues to the Children’s Division or Division of Youth Services and will not need additional personnel or resources. Oversight assumes the additional expenses (and offsetting savings) incurred as a result of providing certificates provided to the CD and DYS will be absorbable within current funding levels.

§210.115 - Community service program background checks

In response to a similar proposal (SB 672), officials from the **Department of Public Safety (DPS), Missouri State Highway Patrol (MHP)** stated subsection 6 of section 475.602 requires a community service program that offers support services for families in crisis under this section to ensure that a fingerprint-based background check, a sex offender registry check and a child abuse and neglect registry check is completed for the attorney-in-fact and any adult members of his or her household prior to the placement of the child.

A check of the sex offender registry is included with a fingerprint-based background check through the central repository.

At this point the Criminal Justice Information Services (CJIS) Division is unable to determine the expected number of fingerprint-based background checks to be completed on attorney-in-facts or any adult members of the household prior to the placement of the child.

The cost for a fingerprint-based background check, to include state and federal open and closed records, is as follows:

State fee:	\$20
Federal Bureau of Investigations (FBI) fee:	\$12
Applicant fingerprinting vendor fee:	<u>\$ 8.30</u>
TOTAL fee per applicant:	<u>\$40.30</u>

ASSUMPTION (continued)

Of these amounts, the state retains the \$20 state fee and \$2 of the federal charge of \$12 for a pass-thru fee. The \$8.30 charge is paid directly to the vendor at the time of application.

Once the anticipated number of background checks to be completed under this legislation has been determined and the type of background checks to be completed has been determined, the CJIS Division will be able to estimate the amount of funds to be deposited in the Criminal Records Fund under this proposal.

Oversight notes that more than 4,545 background checks would have to be performed each year for the fiscal impact to exceed \$100,000 (\$100,000/\$22 background check fees retained by the state = 4,545.45 checks). Therefore, Oversight assumes the fiscal impact to the Criminal Records Fund will be less than \$100,000 in income annually.

In response to a similar proposal (SB 672), officials from the **Office of State Courts Administrator**, the **Summersville R2 School District** and the **Wellsville - Middletown R-1 School District** each assumed the proposal would not fiscally impact their respective agencies.

§210.152 - Retention of CA/N investigation reports

Officials from the **Department of Social Services** assume the proposal would not fiscally impact their agency.

In response to a similar proposal (HCS SB 850), officials from the **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS** stated changes would have to be made to the expungement process in the Family and Children's Electronic System (FACES).

ITSD assumes that every new IT project/system will be bid out because all ITSD resources are at full capacity. The current contract rate for IT consultants is \$75 per hour. It is estimated this proposal will take 172.80 hours at a cost of \$12,960 (172.80 X \$75), split 50/50 between General Revenue (GR) and federal funds.

Oversight assumes OA, ITSD/DSS can absorb this minimal increase in workload and expense within current resources; GR (\$6,480)/Federal funds (\$6,480).

§210.1030 - Trauma-Informed Care for Children and Families Task Force

In response to similar legislation (HCB 11), officials from the **Missouri Senate** anticipate any potential travel costs for committee meetings outside of session can be absorbed using existing resources.

ASSUMPTION (continued)

In response to similar legislation (HCB 11), officials from **Joint Committee on Legislative Research, Legislative Oversight Division** assumed the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Elementary and Secondary Education** assume the proposal would not fiscally impact their agency but defer to local school districts for any impact the proposal may have on schools.

In response to similar legislation (HCB 11), officials from the **Wellsville-Middletown R-1 School District** stated this section leaves open who is responsible for the staffing and training that may be required for schools. As a result, this has the potential to have a substantial negative fiscal impact on the school district for staffing, training and associated resources.

In response to similar legislation (HCB 11), officials from the **Summersville R2 School District** assumed this proposal will have little to no fiscal impact on their school district.

Oversight notes the duties of the Task Force is to promote healthy development by promoting comprehensive support systems and interagency cooperation. The task force is to incorporate evidence-based and evidence-informed best practices with respect to early identification, expeditious referral for services and treatment, and the implementation of trauma-informed approaches and interventions in child and youth-serving schools, etc., to foster safe, stable, and nurturing environments. As this may result in costs to schools, Oversight will present a \$0 to (Unknown) fiscal impact to school districts.

In response to similar legislation (HCB 11), officials from the **Missouri House of Representatives (MHR)** assumed the proposal will have no fiscal impact. It is assumed the MHR can absorb expenses incurred by members and staff associated with the task force.

Bill as a whole

Officials from the **Office of Attorney General (AGO)** assume any potential costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation.

Officials from the **Department of Higher Education**, the **Department of Mental Health**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Joint Committee on Administrative Rules** and the **Missouri Office of Prosecution Services** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Savings - DSS (\$210.110) (p. 4)</u>			
Reduction in EPSDT services	\$36,707	\$44,048	\$44,048
<u>Cost - OA (\$37.940) (p. 3)</u>			
Personal Service	(\$61,667)	(\$74,740)	(\$75,487)
Fringe Benefits	(\$26,954)	(\$32,566)	(\$32,788)
Equipment and Expense	(\$18,324)	(\$16,578)	(\$16,987)
Social Innovation Grants	\$0	(Unknown)	(Unknown)
<u>Total Cost - OA</u>	<u>(\$106,945)</u>	<u>(Unknown, greater than \$123,884)</u>	<u>(Unknown, greater than \$125,262)</u>
FTE Change - OA	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$70,235)</u>	<u>(Unknown, greater than \$79,836)</u>	<u>(Unknown, greater than \$81,214)</u>
Estimated Net FTE Effect on the General Revenue Fund	1 FTE	1 FTE	1 FTE
 CRIMINAL RECORDS FUND			
<u>Income - DPS (\$475.602)</u>			
Background check fees	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>
ESTIMATED NET EFFECT ON THE CRIMINAL RECORDS FUND	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
FEDERAL FUNDS			
<u>Savings - DSS (§§210.110)</u>			
Reduction in EPSDT services	\$68,781	\$82,538	\$82,538
<u>Loss - DSS (§§210.110)</u>			
Reduction reimbursement for EPSDT services	<u>(\$68,781)</u>	<u>(\$82,538)</u>	<u>(\$82,538)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
LOCAL GOVERNMENTS - SCHOOL DISTRICTS			
<u>Costs - School Districts (§210.1030)</u>			
Trauma-informed approach and intervention costs	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS - SCHOOL DISTRICTS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</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 creates the “Social Innovation Grant Program” within the Office of Administration and requires the Governor to designate an individual to serve as the executive director of the program. The bill permits the Office of Administration or the General Assembly to identify

FISCAL DESCRIPTION (continued)

additional critical state concerns that could potentially be addressed through the social innovation grant program and includes families in generational child welfare; recidivism among offenders with drug addictions; opioid-addicted pregnant women; and children in residential treatment with behavioral issues as critical state concerns.

For any critical state concern for which a social innovation grant is being utilized, the executive director is required to establish a “Social Innovation Grant Team” to be comprised of specified subject matter experts. Such teams are tasked with: (1) Formulating a request for proposals for social innovation grants; (2) Evaluating responsive proposals and selecting those bids for demonstration projects that provide the greatest opportunity for addressing the critical state concern in a cost-effective and replicable way; and (3) Monitoring demonstration projects and evaluating them based on the objectives outlined in the request for proposals; the program’s outline; the project’s impact on the critical state concern; and the project’s ability to be replicated on a cost-effective basis.

The bill requires demonstration projects to be operated over a period of time sufficient to impact the population served by the project based on the parameters and objectives outlined in the request for proposals. Grantees, at a minimum, must be nonprofit organizations with experience working with the population identified as a critical state concern. Upon the conclusion of a demonstration project, the social innovation grant team is required to compile all relevant data and submit a report to the General Assembly.

The bill requires the social innovation grant team to identify methods to fund the social innovation grant program, including state partnerships with nonprofit organizations and foundations, and the executive director of the social innovation grant program must identify sustainability models for deploying successful demonstration projects.

The bill will sunset six years after the effective date. (§37.940)

Under current law, any physician or health care provider may refer a family in which a child may have been exposed to a Schedule I, II, or III controlled substance or alcohol to the Department of Health and Senior Services. This act requires the physician or health care provider to refer the family to the Department of Social Services. Additionally, this act repeals the requirement that the Department of Health and Senior Services offer service coordination services to the family and initiate such services within 72 hours of notification.

This act repeals a provision of current law prohibiting any department to cease providing services for any exposed child when a physician or health care provider has made or approved a written assessment that documents the child as at risk of abuse or neglect until the physician or health care provider authorizes the file to be closed.

FISCAL DESCRIPTION (continued)

Finally, this act modifies the definition of "assessment and treatment services for children under ten years old" to remove the requirement that the assessment and screening be conducted every six months for a child under the custody of the state. Instead, the assessment and screening shall be conducted in accordance with the periodicity schedule of the American Academy of Pediatrics. (§§191.737, 191.739, 210.110 and 210.112)

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 Health and Senior Services
Department of Social Services -
 Children's Division
 MO HealthNet Division
 Family Support Division
 Division of Youth Services
 Division of Legal Services
Office of Attorney General
Department of Elementary and Secondary Education
Department of Higher Education
Department of Mental Health
Department of Corrections
Department of Labor and Industrial Relations
Department of Public Safety -
 Missouri State Highway Patrol
Office of the Governor
Joint Committee on Administrative Rules
Legislative Research -
 Oversight Division
Missouri House of Representatives
Office of Lieutenant Governor
Missouri Office of Prosecution Services
Office of Administration -
 Office of Commissioner
 Information Technology Services Division
Office of State Courts Administrator
Missouri Senate

SOURCES OF INFORMATION (continued)

Summersville R2 School District
Wellsville-Middletown R-1 School District

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope", with a stylized flourish at the end.

Acting Director
May 17, 2018