

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0962-08
Bill No.: Truly Agreed To and Finally Passed CCS for SS for SCS for HCS for HB 397
Subject: Crimes and Punishment; Criminal Procedure; Courts; Juvenile Courts; Children and Minors; Children’s Division; Sexual Offenses; Domestic Relations; Victims of Crime; Civil Penalties
Type: Original
Date: June 17, 2019

Bill Summary: This proposal modifies provisions regarding the protection of children.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	Unknown to Could exceed (\$338,884 to \$396,788)	Unknown to Could exceed (\$167,694 to \$301,739)	Unknown to Could exceed (\$169,227 to \$304,782)
Total Estimated Net Effect on General Revenue	Unknown to Could exceed (\$338,884 to \$396,788)	Unknown to Could exceed (\$167,694 to \$301,739)	Unknown to Could exceed (\$169,227 to \$304,782)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 26 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Family Child Care Provider*	\$0	\$0	\$0
Child Support Enforcement Collections (0169)	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Appropriations and expenses assumed to net to \$0.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Federal	\$0 or \$269,698,605	\$0 or \$269,698,605	\$0 or \$269,698,605
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 or \$269,698,605	\$0 or \$269,698,605	\$0 or \$269,698,605

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	Unknown to (Unknown) FTE	Unknown to (Unknown) FTE	Unknown to (Unknown) FTE
Federal	0 or 0.34 FTE	0 FTE	0 FTE
Total Estimated Net Effect on FTE	Unknown to (Unknown) FTE	Unknown to (Unknown) FTE	Unknown to (Unknown) FTE

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 2020	FY 2021	FY 2022
Local Government	\$0 or Under \$100,000	\$0 or Under \$100,000	\$0 or Under \$100,000

FISCAL ANALYSIS

ASSUMPTION

§191.250 - Simon's Law

Oversight notes that the **Department of Health and Senior Services** and **Department of Social Services** have each stated the proposal would not have a direct fiscal impact on their organization.

In response to similar legislation (HB 138), officials from the **Cass Regional Medical Center** assumed the proposal would have no fiscal impact on their organization.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other hospitals were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

§208.151 - MO HealthNet benefits for persons in foster care

Officials from the **Department of Social Services (DSS)**, **MO HealthNet Division (MHD)** state §208.151.1(26) is amended to allow persons who were in foster care under the responsibility of another state for at least six months, are currently residing in Missouri, are at least eighteen years of age, are not eligible for coverage under another mandatory coverage group, and were covered by Medicaid while they were in foster care to also be eligible to receive MO HealthNet benefits.

Section 1902 (a)(10)(i)(IX) of the Social Security Act requires states to make medical assistance available to individuals who were in foster care under the responsibility of the State on the date of attaining eighteen years of age until the individual turns twenty-six years of age. However, the federal law does not require states to make medical assistance available to individuals who were in foster care under the responsibility of another state.

DSS assumes for purposes of the fiscal note that Missouri Medicaid will cover health care benefits until age 26 for individuals aging out of another state's foster care system, in that other state's system for at least 6 months, and now living in Missouri.

States have the option to apply for an 1115 demonstration waiver under 42 CFR 435.150 to provide medical assistance to former foster care youth who aged out in another state and were enrolled in Medicaid in another state at any time during the period of foster care.

ASSUMPTION (continued)

In State Fiscal Year (SFY) 2018, there were 25 children, that were age 18 or older and placed in foster care in Missouri who were under the responsibility of another state for at least six months. For the purpose of this bill, the Family Support Division (FSD) is estimating that this is the number of children that would be eligible for this coverage per year. It is assumed that these individuals are eligible for a federally matched Medicaid program, under an 1115 demonstration waiver.

Because an 1115 waiver is required to implement the provisions of this bill, the DSS would have to apply for and be approved in order to receive a federal match on these individuals. Due to the amount of time estimated to apply and be approved for the waiver, the earliest this legislation could be implemented is expected to be January 1, 2020.

The FSD assumes existing staff will be able to complete necessary additional work as a result of this proposal.

The FSD assumes Office of Administration, Information Technology Services Division (OA - ITSD) will include the system programming costs for the system changes necessary to implement provisions of this bill.

The Children's Division (CD) and FSD defer to MO HealthNet Division for costs to the program; therefore, there is no fiscal impact to the CD or to the FSD.

Oversight does not have any information to the contrary. Oversight assumes the CD and FSD have sufficient staff and resources to handle any increase in workload required under the provisions of this proposal and will reflect no fiscal impact for these divisions for fiscal note purposes.

MHD officials state per the new parameters of this legislation, the CD reports that a total of 25 children in FY 2018 were 18 or older and are currently residing in Missouri that had been under the responsibility of another state for at least 6 months. MO HealthNet Division found that a per member per month (PMPM) rate for foster care services is \$604.11. Therefore, an annual cost for this new legislation is estimated to be \$181,233 (25 newly eligible*\$604.11 PMPM*12 months). A 2.4% inflation rate was used for FY21 and FY22.

FY20 (6 mos): Total: \$90,617 (GR \$31,183; FF \$59,434);
FY21: Total: \$185,583 (GR \$63,863; FF \$121,720); and,
FY22: Total: \$190,037 (GR \$65,396; FF \$124,641).

ASSUMPTION (continued)

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by DSS, MHD for fiscal note purposes.

Officials from the **Office of Administration, Information Technology Services Division (OA, ITSD)/DSS** state system modifications will be required for the Missouri Eligibility Determination and Enrollment System (MEDES). System modifications will be executed via a Project Assessment Quotation under the existing Redmane contract (CT 170849002) for MEDES Maintenance and Operations as an enhancement. It is assumed the system modifications will require 4,043.52 IT consultant contract hours at \$160 per hour for a total cost of \$646,963 (\$161,741 GR; \$485,222 Federal funds) in FY 2020.

In addition, it is assumed the Family and Children Electronic Services (FACES) system will require modifications. IT consultants are estimated to require 864.00 hours at \$75/hours to do the necessary modifications for a total of \$64,800 (\$42,768 General Revenue (GR); \$22,032 Federal Funds) in FY 2020.

It is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity. Contracted IT consultant hours are estimated at a rate of \$75 per hour.

Oversight notes, based on information from OA, ITSD officials that changes to FACES are made using a mix of ITSD staff and a contractor. Generally changes are contracted out, especially if there are significant changes.

Oversight also notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this proposal, ITSD assumes system changes will need to be made to the MEDES and FACES systems. The state has a contract with Redmane to perform system changes/enhancements to MEDES. However, since changes to FACES are made using a mix of ITSD staff and a contractor, Oversight assumes ITSD staff could make the required changes to FACES.

ITSD estimates the FACES project would take 864.00 hours at a contract rate of \$75 per hour for a total cost to the state of \$64,800 (\$42,768 GR; \$22,032 Federal funds). Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000 per year when fringe benefits are added. Assuming all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire additional IT Specialists to perform the work required by this proposal. Therefore, Oversight will range the fiscal impact from the cost of contracting out the work for FACES updates (\$64,800 in FY 2020) to hiring 1 ($\$64,800 / \$75 / 2,080 \text{ hours} = 0.42 \text{ FTE}$, rounded up) additional FTE IT Specialists

ASSUMPTION (continued)

(roughly \$80,000 per year) to complete the FACES system changes in approximately the same time as contract IT consultants. For FY 2021 and 2022, Oversight cannot assume FTE costs would be split between GR and Federal funds and will present costs as 100% GR.

§§208.044, 210.025, 210.201, 210.211, 210.245, 210.252, 210.254, and 210.1080 - Child care facilities

Officials from the **Department of Health and Senior Services (DHSS)** state:

§208.044.2 is amended to require any provider of child day care services to become licensed if they are caring for more than six children. Currently, the law requires licensure if no more than four unrelated children are being cared for.

§210.211 changes the threshold for child care licensure by increasing the overall number a provider could care for, including a maximum of three children under the age of two. Currently, there is no requirement for licensure based on the age of children at the facility. It requires the provider's related children be counted in that number unless the children are school-aged children who live in the home.

§210.245.7 provides that any person who operates an unlicensed, nonexempt child-care facility in violation of the provisions of sections 210.201 to 210.245 shall be liable for a civil penalty of not less than seven hundred fifty dollars and not more than two thousand dollars. The department shall serve upon such person written notice of the department's findings as to the child-care facility's unlicensed, nonexempt status, along with educational materials about Missouri's child-care facility laws and regulations, how a facility may become exempt or licensed, and penalties for operating an unlicensed, nonexempt child-care facility. The notice shall contain a statement that the person shall have thirty days to become compliant with sections 210.201 to 210.245, including attaining exempt status or becoming licensed. The person's failure to do so shall result in a civil action in the circuit court of Cole County or criminal charges under this section. If, following the receipt of the written notice, the person operating the child-care facility fails to become compliant with sections 210.201 to 210.245, the department may bring a civil action in the circuit court of Cole County against such person. The department may, but shall not be required to, request that the attorney general bring the action in place of the department.

Oversight notes that the penalties collected will be distributed to schools according to the location of the facility that is fined. It is unknown whether fines will be imposed or the potential amount collected for distribution to school districts. In 2018, Office of the State Courts

ASSUMPTION (continued)

Administrator noted only one infraction from Section 210.245 - so Oversight will present penalties collected and distributed to school districts as \$0 to Under \$100,000.

DHSS stated §210.245.8 establishes the "Family Child Care Provider Fund" in the state treasury, which shall consist of such funds as appropriated by the general assembly. The fund shall be a dedicated fund and moneys in the fund shall be used solely by the department for the dissemination of information concerning compliance with child-care facility laws and regulations. The legislation does not designate a funding source so revenues to the fund are unknown.

Oversight assumes funds appropriated to the Family Child Care Provider Fund to be Unknown. In addition, Oversight assumes costs incurred by the DHSS for the dissemination of information will be limited to the funds appropriated. Therefore, the estimated net effect on the Family Child Care Provider Fund will be \$0 for fiscal note purposes.

DHSS Impact

It is unknown if the legislation will lead to an increase or decrease in the number of child care providers that must be licensed. The department does not currently track how many children under the age of two are currently being cared for in unlicensed facilities. Therefore, it would be impossible to know how many new child care facilities would fall under the amended requirements for licensure.

Oversight does not have any information to the contrary. DHSS notes it does not have information available to determine whether an increase/decrease in the number of Child Care Facility Specialist FTE will be required to perform inspections of licensed child care facilities and will reflect Unknown savings to Unknown costs to the General Revenue (GR) Fund for DHSS for fiscal note purposes.

The Division of Community and Public Health (DCPH)

DHSS, DCPH provides sanitation inspections in regulated child care facilities. Based on the change in how many facilities must be licensed under the proposed legislation, the number of sanitation inspections may either increase or decrease by an unknown amount. This may create either a need for additional staff or reduce the need for staff, resulting in either a cost savings or the need for an increase in FTE.

ASSUMPTION (continued)

Oversight does not have any information to the contrary. Oversight assumes the DHSS does not have information available to determine whether an increase/decrease in the number of Environmental Public Health Specialist V FTE will be required to perform inspections of licensed child care facilities and will reflect Unknown savings to Unknown costs to the General Revenue (GR) Fund for DHSS for fiscal note purposes.

Division of Regulation and Licensure (DRL)

DHSS, DRL states it is responsible for regulating child care facilities. Currently, there is no statutory limit on the number of children under the age of two that a provider cares for so DRL does not collect this information; therefore, the number of providers that are currently exempt from licensure who would be required to become licensed under this legislation is unknown. DRL assumes that a number of these providers would require at least one inspection and some would choose to become licensed in order to remain operating; however, this number is unknown.

Written notice of the department's findings are currently provided to a child care facility; however, the number of providers who would be found operating in violation of this legislation is unknown.

Development of educational materials are within the normal ebb and flow for the DRL so minimal time and expense will be required to conduct the requirements of this legislation. It is assumed the educational materials will be available online.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the unknown costs/savings provided by DHSS for fiscal note purposes. In addition, Oversight assumes the DHSS has sufficient staff and resources to perform the additional duties required to develop educational materials for child care facilities.

DHSS, Office of General Counsel (OGC)

DHSS, OGC officials state this legislation will require the department to serve written notice of the department's findings as to a child care facility's unlicensed, nonexempt status, along with educational materials about Missouri's child care facility laws and regulations. This change of including unlicensed, nonexempt child care facilities in violation of provisions of sections 210.201 to 210.245 will increase the workload of General Counsel. Adding these entities into the current workload would result in the need for .60 FTE. In addition, if, following the receipt of the written notice, the person operating the child care facility fails to become compliant with

ASSUMPTION (continued)

sections 210.201 to 210.245, the department may bring a civil action in the circuit court of Cole County against such person. The department may, but shall not be required to, request that the attorney general bring the action in place of the department.

Based upon the number of cases that DHSS would have had to file in 2018 (if this legislation had been in place) the following costs have been identified:

Hearing shall be conducted by the Department of Health and Senior Services within ten days from the date the appeal is filed. The department may bring civil action in the circuit court of Cole County against such person. DHSS assumes that staff will travel to the county of the offense; therefore, additional travel expenses are needed.

- 80 Cases x 1.5 actions = 120 actions
- 120 cases x 10.28 hours per action = 1,234 total hours
- 1,234 (hours) / 2,080 hours = .60 FTE

§210.245.7 of the proposed legislation could require the promulgation of rules and regulations, which include the following duties (but not all inclusive): establish guidelines, implement strategies, make evidence-based system changes, and create policy recommendations. DHSS, OGC will need an additional 0.1 FTE for an attorney to perform the research necessary to ensure the new guidelines and information for this proposed legislation has been properly vetted and implementation is completed quickly and with fiscal responsibility. Due to current workload being at maximum limits, these costs cannot be absorbed.

Oversight assumes 0.1 FTE and 0.6 FTE would not be provided fringe benefits and the state would only pay Social Security and Medicare benefits of 7.65 percent. In addition, Oversight assumes the DHSS would not need additional rental space for 0.1 FTE. However, if multiple proposals pass during the legislative session requiring additional FTE, cumulatively the effect of all proposals passed may result in the DHSS needing additional rental space.

Oversight assumes since DHSS states their responsibility to perform the research necessary to ensure the new guidelines and information for this proposed legislation has been properly vetted and implementation is completed quickly and with fiscal responsibility, Oversight will range the cost of the partial FTE from \$0 to DHSS' estimate less fringe benefits over 7.65% and rental space costs for 0.1 FTE.

Officials from the **Office of State Public Defender (SPD)** state they cannot assume that existing staff will provide effective representation for any indigent clients faced with the enhanced

ASSUMPTION (continued)

penalties for making false statements on a child care license application, a new class C misdemeanor. The Missouri State Public Defender System is currently providing legal representation in caseloads in excess of recognized standards.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases where the right to counsel attaches.

Oversight notes over the last three fiscal years, the SPD has lapsed a total of \$152 of General Revenue appropriations (\$0 out of \$36.4 million in FY 2016; \$2 out of \$28.0 million in FY 2017; and \$150 out of \$42.5 million in FY 2018). Therefore, Oversight assumes the SPD is at maximum capacity and the increase in workload resulting from this bill cannot be absorbed within SPD's current resources.

Adding one additional Assistant Public Defender 1 (APD) with a starting salary of \$47,000, will cost approximately \$74,500 per year in personal service and fringe benefit costs. One additional APD II (\$52,000 per year; eligible for consideration after 1 year of successful performance at APD I) will cost the state approximately \$81,000 per year in personal service and fringe benefit costs. When expense and equipment costs such as travel, training, furniture, equipment and supplies are included, Oversight assumes the cost for a APD could approach \$100,000 per year.

Oversight assumes the SPD cannot absorb the additional caseload that may result from this proposal within their existing resources and, therefore, will reflect a potential additional cost of (Less than \$100,000) per year to the General Revenue Fund.

Officials from the **Department of Social Services (DSS)** state the department does not anticipate a fiscal impact as a result of this legislation. Approximately 62 child care providers serving 156 children could be negatively impacted by this legislation. The economic impact could be as much as \$2,900 annually per child by reducing the number of related children that a child care provider is able to serve. However, if the 156 children move to a different child care provider, those providers would have a positive impact.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect no fiscal impact for DSS but will indicate this proposal will have a fiscal impact on small business child care providers.

ASSUMPTION (continued)

§§210.192, 210.194 and 210.195 - Child fatality review panels

Oversight notes that the **Department of Health and Senior Services (DHSS)** and the **Department of Social Services (DSS)** have stated this would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations for these sections.

Oversight notes provisions in 210.194.4 provide that the State Technical Assistance Team (STAT) shall make nonidentifiable, aggregate data on child fatalities publicly available. Officials from the DSS state that child fatality data is already loaded in an on-line database. The deidentification process is built into the current software used and as a result there would be no fiscal impact for the provisions of this proposal.

Oversight notes provisions in 210.192.3 removes language that requires the DHSS to analyze the child fatality review panel reports and periodically prepare epidemiological reports which describe the incidence, causes, location and other factors pertaining to childhood deaths. DHSS officials indicate there will be no cost savings with the removal of these provisions because the DHSS has not been preparing reports as the state Child Facility reports are already covering this information on an annual basis. DHSS does provide the linkages of birth and death records to the State Child Fatality report and will continue to do so. DHSS also provides information through the annual vital statistics report on causes of death and location, but that is a public health surveillance requirement and would not be affected by this proposal. Finally, DHSS officials state the proposal to remove the requirement was done in order to remove a statutory obligation that is obsolete considering how reports have been and are currently published.

§§210.221 and 566.147 - Location of child care facilities

Oversight notes that the **Department of Health and Senior Services (DHSS)** stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization for these sections.

Oversight notes the provisions of 210.221.3 are permissive and do not require the DHSS to deny an application for licensure of a child-care facility if it is located within one thousand feet of any location where a sex offender resides or receives treatment/services. In addition, child-care facilities that care for four or fewer children that are unrelated are not required to obtain a license from the DHSS, in addition to private or religious organizations and nursery schools, among others. Persons applying for licensure of a child-care facility are not required to pay a licensing fee, so the provisions of this proposal would have no costs or savings to the DHSS.

ASSUMPTION (continued)

This part of the proposal has an emergency clause.

§210.565 - Foster care placement

Officials from the **Department of Social Services** state the proposal would not have a direct fiscal impact on their organization for this section.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

Oversight notes the provisions of §210.565 provide that the Children’s Division shall give foster home placement to relatives of the child. This proposal expands the list of relatives that could act as a foster home for a child. “Relatives” is expanded include adult siblings, and parents of siblings.

§210.1014 - Amber Alert System/Hailey’s Law

Oversight notes that the **Department of Public Safety - Missouri State Highway Patrol (MHP)** states the proposal would not have a direct fiscal impact on their organization. The MHP states the Amber Alert is already built into the Missouri Uniform Law Enforcement System (MULES). The MHP is currently working on enhancing a system interface that a law-enforcement agency utilizing the Regional Justice Information Service (REJIS) would be able to use to request an Amber Alert directly from the REJIS system. Therefore, given this work is already underway, the MHP assumes no additional work will be required at the state level to comply with this bill.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on this section of the fiscal note.

§452.377 - Child Relocation

Oversight notes that the **Department of Social Services** states the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency for this section.

ASSUMPTION (continued)

§§454.507 and 513.430 - Child support enforcement

Officials from the **Department of Social Services (DSS)** state §454.507.3 requires financial institutions to enter into data match agreements with the Family Support Division (FSD). FSD expects an additional 171 financial institutions to participate in the instate financial institution data match (FIDM) program. (424 financial institutions in Missouri - 63 federally chartered and required to participate = 361 subject to participation - 190 currently participating = 171 institutions to be added to the FIDM program).

In SFY 2018, FSD completed 5,780 financial liens to encumber obligors' assets from the 190 financial institutions currently participating in the FIDM program. An average of 30 liens were issued per financial institution (5,780/190). Therefore, FSD can expect to issue an additional 5,130 liens to encumber obligors' assets from the 171 additional financial institutions (171 x 30) participating in the FIDM program as a result of this legislation. There are 19 child support enforcement offices (including Prosecuting Attorney offices) that currently issue financial liens. Each enforcement office could potentially issue an additional 270 liens annually (5,130/19). The additional duties associated with the increase in liens issued can be absorbed by existing FSD staff as the cost would be less than \$10,000.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the DSS has sufficient staff and resources to complete the additional work issuing liens required by this legislation.

DSS officials state in SFY 2018, FSD collected approximately \$276,332 from instate financial liens from the 190 financial institutions participating in the instate FIDM program. The average collection per participating financial institution was \$1,454 (\$276,332/190). Assuming the same average collection for the additional 171 financial institutions, the FSD estimates the increased FIDM collections from the data match expansion to be \$248,634 annually (171 x \$1,454). In SFY 2018, 91% of the \$276,332 collections were distributed to families and 9% were retained by the state. Therefore, FSD projects that \$22,377 (\$248,634 x 9%) of the anticipated future FIDM collections will apply to TANF. The state is required to split assigned support collections on current and former TANF cases with the federal government. The federal portion is approximately 65% and the remaining 35% is deposited into the Child Support Enforcement Collections (CSEC) fund used to fund Missouri's IV-D program. The state share of the increased collections would be \$7,832 (\$22,377 x 35%).

ASSUMPTION (continued)

FSD pays \$13.50 each month for each financial institution with a signed and complying agreement. The cost for the additional 171 financial institutions projected to sign an agreement is \$27,702 (171 x \$13.50 x 12 months). FSD also pays a fee of \$75 per quarter to each financial institution that requests reimbursement. In SFY 2018, 24 of the 190 financial institutions requested quarterly reimbursement for a percentage of 13% (24/190). Therefore, FSD assumes that 22 of the 171 additional financial institutions will request reimbursement (171 x 13%) for a projected annual cost to FSD of \$6,600 (22 x \$75 x 4 quarters). The total projected cost to FSD under this proposed legislation to operate the expanded data match program is \$34,302 (\$27,702 + \$6,600). Qualifying IV-D expenditures are federally reimbursed at a rate of 66%. The cost for the state share would be 34% of the total cost, or \$11,663 annually (\$34,302 x 34%). The federal portion would be \$22,639 (\$34,302 * 66%).

The estimated increased collections to the state offsets a portion of the GR cost to FSD for operating the expanded data match program within the child support program. The net GR cost to FSD is \$3,831 annually (\$11,663 GR costs - \$7,832 in TANF collections (TANF collections go into the CSEC fund)). The federal portion would remain \$22,639.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by DSS for fiscal note purposes.

§§454.600 and 454.603 - Health care through a child support order

Officials from the **Department of Social Services (DSS)** state this legislation is federally mandated by 45 CFR 303.31 revised under the 2017 Flexibility, Efficiency, and Modernization in Child Support Programs Final Rule.

For the purposes of this fiscal note, this risk of loss of federal funding is not included in the overall fiscal impact. If this legislation is not passed, the state would risk losing the full IV-D federal share of expenditures for Missouri's IV-D program, including incentive payments, and the Temporary Assistance for Needy Families (TANF) block grant. The Office of Child Support Enforcement recently sent a letter to the Family Support Division (FSD) regarding noncompliance.

Assuming this proposal is passed, the provisions of the proposal will have no fiscal impact on the DSS.

Oversight obtained additional information from the DSS. DSS indicated if FSD does not comply with the amendments to federal law referred to above, its IV-D State Plan will not be

ASSUMPTION (continued)

approved and federal funding of the child support program and TANF program will be at risk. For Federal Fiscal Year (FFY) 2015, the federal share of expenditures for Missouri's IV-D program, including incentive payments, was approximately \$52.6 million. In addition, the state must have an approved IV-D state plan as a condition for eligibility for a TANF block grant. For FFY 2015, the TANF block grant to Missouri was approximately \$217 million. Oversight will present the potential loss avoidance of federal funds as "\$0 or ..." the amounts provided by DSS.

§§567.020, 578.421, 578.423 and 610.131 - Protection of children from sex trafficking

Oversight notes the **Department of Corrections, Department of Public Safety - Missouri State Highway Patrol** and **Department of Social Services** each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies for these sections.

§567.050 - Prostitution

Officials from the **Office of State Public Defender (SPD)** state they cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed enhanced penalties for promoting prostitution if sex trafficking is involved, then the offense would be a new class A felony. The Missouri State Public Defender System is currently providing legal representation in caseloads in excess of recognized standards.

In FY 2018, SPD's Trial Division opened one felony promoting prostitution case.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases where the right to counsel attaches.

Oversight notes over the last three fiscal years, the SPD has lapsed a total of \$152 of General Revenue appropriations (\$0 out of \$36.4 million in FY 2016; \$2 out of \$28.0 million in FY 2017; and \$150 out of \$42.5 million in FY 2018). Therefore, Oversight assumes the SPD is at maximum capacity, and the increase in workload resulting from this bill cannot be absorbed within SPD's current resources.

Adding one additional Assistant Public Defender 1 (APD) with a starting salary of \$47,000, will cost approximately \$74,500 per year in personal service and fringe benefit costs. One additional APD II (\$52,000 per year; eligible for consideration after 1 year of successful performance at

ASSUMPTION (continued)

APD I) will cost the state approximately \$81,000 per year in personal service and fringe benefit costs. When expense and equipment costs such as travel, training, furniture, equipment and supplies are included, Oversight assumes the cost for a new APD could approach \$100,000 per year.

Oversight assumes the SPD cannot absorb the additional caseload that may result from this proposal within their existing appropriation and, therefore, will reflect a potential additional cost of (Less than \$100,000) per year to the General Revenue Fund.

Oversight notes that according to the Office of the State Courts Administrator, there was only 1 guilty plea or verdict for Section 567.050 in FY 2018.

In response to a similar proposal (SCS for SB 37), **Oversight** notes that the **Joplin Police Department** and **Springfield Police Department** stated the proposal would not have a direct fiscal impact on their organizations.

In response to a similar proposal (SB 37), **Oversight** notes that the **St. Louis County Department of Justice Services, St. Louis County Police Department** and **Boone County Sheriff's Department** stated the proposal would not have a direct fiscal impact on their organizations.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Bill as a Whole

Officials from the **Missouri Office of Prosecution Services (MOPS)** assume the proposal will have no measurable fiscal impact on MOPS. The creation of a new crime, §567.050.1(3) punishable under §567.050.3(2), creates additional responsibilities for county prosecutors which may, in turn, result in additional costs, which are difficult to determine.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet

ASSUMPTION (continued)

these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

Oversight notes that the **Office of Attorney General, Department of Elementary and Secondary Education, Department of Insurance, Financial Institutions and Professional Registration, Department of Higher Education, Department of Public Safety - Office of the Director, Department of Mental Health, Department of Revenue, Office of State Courts Administrator and Office of State Treasurer** have stated the proposal would not have a direct fiscal impact on their organizations.

Officials from the **Department of Public Safety - Division of Fire Safety (DFS)** state although this bill does impact some of the facilities inspected by the DFS, a fiscal impact is not anticipated as a result of this legislation.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE FUND			
<u>Transfer-in</u> from Child Support Enforcement Collections Fund (\$454.507) p. 14			
Increase in child support collections	\$6,527	\$7,832	\$7,832
 <u>Transfer-out</u> - Appropriations to the Family Child Care Provider Fund (\$210.245) p. 8			
	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
 <u>Costs</u> - DSS (§208.151) p. 5			
Increase in state share of MO HealthNet benefits for foster children	(\$31,183)	(\$63,863)	(\$65,396)
 <u>Costs</u> - DSS (§454.507) p. 15			
Reimbursements to financial institutions	(\$9,719)	(\$11,663)	(\$11,663)
 <u>Costs</u> - OA, ITSD (§208.151) p. 6			
FACES system modifications (ranged from contracting out the programming (\$42,768) to hiring additional 1 FTE IT Specialist)	(\$42,768 to \$44,000)	\$0 or (\$80,800)	\$0 or (\$81,608)
MEDES modifications	(\$161,741)	\$0	\$0
FTE Change - OA, ITSD	0 or 0.66 FTE	0 or 1 FTE	0 or 1 FTE
 <u>Savings/Costs</u> - DHSS (§§208.044 and 210.211) p. 8			
Personal service and related expenditures (increase or decrease in the number of Child Care Facility Specialists and/or Environmental Public Health Specialists)	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
FTE Change - DHSS	Unknown to (Unknown) FTE	Unknown to (Unknown) FTE	Unknown to (Unknown) FTE

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE FUND			
(continued)			
<u>Costs - DHSS (§§210.201 to 210.245)</u>			
p. 9 and 10	\$0 to...	\$0 to...	\$0 to...
Personal service (0.6 FTE for hearings and 0.1 FTE for promulgation of rules)	(\$37,625)	(\$39,087)	(\$39,478)
Fringe benefits	(\$2,878)	(\$2,990)	(\$3,020)
Equipment and expense	<u>(\$16,169)</u>	<u>(\$11,168)</u>	<u>(\$11,449)</u>
Total <u>Costs</u> - DHSS	\$0 to (\$56,672)	\$0 to (\$53,245)	\$0 to (\$53,947)
FTE Change - DHSS	0 to 0.7 FTE	0 to 0.6 FTE	0 to 0.6 FTE
<u>Costs - SPD (§210.245 & §567.050)</u>			
Salaries, fringe benefits, and equipment and expense p. 10 & p. 16	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>Unknown to Could exceed</u> <u>(\$338,884 to \$396,788)</u>	<u>Unknown to Could exceed</u> <u>(\$167,694 to \$301,739)</u>	<u>Unknown to Could exceed</u> <u>(\$169,227 to \$304,782)</u>
Estimated Net FTE Change on the General Revenue Fund	Unknown to (Unknown) FTE	Unknown to (Unknown) FTE	Unknown to (Unknown) FTE
CHILD SUPPORT ENFORCEMENT COLLECTIONS FUND (0169)			
<u>Income - DSS (§454.507) p. 14</u>			
Increase in child support collections	\$6,527	\$7,832	\$7,832
<u>Transfer-out to General Revenue Fund</u>			
Increase in child support collections	<u>(\$6,527)</u>	<u>(\$7,832)</u>	<u>(\$7,832)</u>
ESTIMATED NET EFFECT ON THE CHILD SUPPORT ENFORCEMENT COLLECTIONS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
FEDERAL FUNDS			
<u>Income</u> - DSS (§208.151) p. 4			
Increase in program reimbursements	\$59,434	\$121,720	\$124,641
<u>Income</u> - OA, ITSD (§208.151) p. 6			
Reimbursement for MEDES and FACES system updates	\$507,254 or \$507,889	\$0	\$0
<u>Income</u> - DSS (§454.507) p. 14			
Increase in child support collections	\$18,866	\$22,639	\$22,639
<u>Loss Avoidance</u> - DSS (§§454.600 and 454.603) p. 15 - 16			
Loss of IV-D program expenditures and incentive payments	\$0 or... \$52,646,865	\$0 or... \$52,646,865	\$0 or... \$52,646,865
Loss of TANF block grant	\$217,051,740	\$217,051,740	\$217,051,740
<u>Costs</u> - DSS (§454.507) p. 14			
	(\$18,866)	(\$22,639)	(\$22,639)
<u>Costs</u> -DSS (§208.151) p. 4			
Increase in program costs for children in foster care	(\$59,434)	(\$121,720)	(\$124,641)
<u>Costs</u> - OA, ITSD (§208.151) p. 6			
FACES system modifications (ranged from contracting out the programming to hiring additional 1 FTE IT Specialist)	(\$22,032 or \$22,667)	\$0	\$0
MEDES modifications	<u>(\$485,222)</u>	<u>\$0</u>	<u>\$0</u>
FTE Change - OA, ITSD	0.34 FTE	0 FTE	0 FTE
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0 or</u> <u>\$269,698,605</u>	<u>\$0 or</u> <u>\$269,698,605</u>	<u>\$0 or</u> <u>\$269,698,605</u>
Estimated Net FTE Change on Federal Funds	0.34 FTE	0 FTE	0 FTE

FISCAL IMPACT - Small Business

§§208.044, 210.025, 210.201, 210.211, 210.245, 210.252, 210.254, and 210.1080

This proposal will have a direct fiscal impact on unlicensed child care providers who will be required to become licensed. Although there is no cost for a license, the provider will need to comply with applicable child care licensing rules and regulations and there may be a cost to the provider in order to come into compliance. In addition, changes in the number of children that can be cared for by a provider may impact small business child care providers.

§§454.600 and 454.603

The loss of federal funding through the TANF block grant could significantly impact small businesses.

§§210.221 and 566.147

This proposal could impact some small business daycare facilities, if they care for more than 4 unrelated children and are not exempt from licensing provisions, if the location they choose is within one thousand feet of the location that a sex offender lives or receives treatment/services at and DHSS does not grant them a license. There is, however, no cost for the daycare license.

FISCAL DESCRIPTION

The bill changes laws relating to the protection of children. In its main provisions, the bill:

(1) Establishes Simon's Law that adds one new section to the law relating to life-sustaining treatment policies of health care facilities. The bill prohibits a health care facility, nursing home, physician, nurse, or medical staff from instituting a do-notresuscitate order, or similar physician's order for any child who is not emancipated or under juvenile or family court jurisdiction without oral or written permission of at least one parent or legal guardian. The bill includes provisions for exceptions when parents or legal guardians are not successfully contacted after diligent efforts, for children under court jurisdiction, and those with relative caretakers. Permission previously given under the provisions of the bill may be revoked in writing by the legal guardian or either parent of the patient. The provisions do not require any treatment to be continued if it is medically inappropriate or would not result in further benefit or recovery of the patient (Section 191.250, RSMo);

(2) The bill allows Missouri residents between the ages of 18 and 26, who have received foster care for at least six months in another state, and who meet other specific criteria, to receive MO HealthNet benefits (Section 208.151);

FISCAL DESCRIPTION (continued)

(3) Currently, a daycare provider is exempt from licensure if he or she cares for four or fewer children. Specified related children or any child in legal custody of the caregiver is not included in the number. This bill changes the total number to six or fewer, as specified, and children living in the caregiver's home eligible for enrollment in a public kindergarten, elementary, or high school are not included in the numbers (Sections 210.201 and 210.211);

(4) Modifies the law regarding the confidentiality of records made and maintained by entities under the child fatality review panel statutes. Currently, all meetings, reports, and records are required to be confidential and not open to the public. This bill specifies that all meetings and work product shall be confidential, while the state technical assistance team shall make nonidentifiable aggregate data on child fatalities public and the Director of the Department of Social Services shall have the discretion to release identifiable data. The state technical assistance team shall make an annual report on child fatalities that includes a summary on the county level of compliance with the child fatality review panel statutes. The requirement that the Department of Health and Senior Services analyze the child fatality review panel reports and prepare epidemiological reports regarding childhood deaths is repealed (Sections 210.192 and 210.194);

(5) Allows the Missouri Department of Health and Senior Services to reject applications for child care facilities if they are located within 1000 feet of residences, care facilities, hospitals, or other places housing sex offenders. It also provides that a patient of a hospital or long-term care facility is not considered a resident for purposes of locating child care facilities near the residence of a registered sexual offender (Sections 210.221 and 566.147);

(6) Increases penalties for false statements under Section 210.245 regarding obtaining or renewing licenses for child care facilities from an infraction to a class C misdemeanor and increases fines as specified in the bill (Section 210.245);

(7) Creates a civil penalty, enforceable by the department, for any person who operates an unlicensed, nonexempt child care facility. The department shall send a written notice to such person of the department's findings, along with educational materials about child care facility laws and the ways to become compliant with such laws, including attaining exempt status or becoming licensed. The person shall have 30 days to become compliant and if such person fails to do so, he or she shall be liable for a civil penalty of not less than \$750 and not more than \$2,000. The department, or the Attorney General on the department's behalf, may bring a civil action in Cole County against such person. The department shall not be subject to liability for failing to file suit under this provision. It also establishes the "Family Child Care Provider Fund," which shall consist of appropriated funds. The fund shall be used by the department for

FISCAL DESCRIPTION (continued)

the dissemination of information concerning compliance with child care facility laws, educational initiatives, and the provision of financial assistance, based on need as determined by the department and available funds, for family child care homes to become licensed (210.245);

(8) Requires the Children's Division within the Missouri Department of Social Services to make efforts to locate adult siblings and parents of siblings for foster care placement and specifies orders of preference for placing foster children (Section 210.565);

(9) Requires the Amber Alert System Oversight Committee to meet at least annually to discuss potential improvements to the Amber Alert System. Amber Alerts issued in Missouri may include an embedded URL, which references a resource online that provides additional information or technological capabilities. The bill establishes "Hailey's Law," which requires the Amber Alert System to be integrated into the Missouri Uniform Law Enforcement System (MULES) to expedite the reporting of child abductions (Section 210.1014);

(10) Requires a party intending to relocate a child subject to custody or visitation agreements to provide notice to parties entitled to custody and visitation and inform them of the right to file a notice opposing such alterations within 30 days of receipt of such notice (Section 452.377);

(11) Modifies definition of "account" under financial disclosure provisions under Section 454.507 and allows financial institutions to enter into a data sharing agreement with the federal office of child support enforcement to assist the Missouri Division of Child Support Enforcement (Section 454.507);

(12) Makes technical reference changes to the bankruptcy exemptions under Section 513.430 and other provisions (Section 513.430); and

(13) Defendants to specified prostitution charges are classified as victims of abuse and such abuse is subject to reporting requirements. It adds certain offenses related to sexual trafficking, solicitation, prostitution, and abuse and neglect that may be used to qualify for the pattern of street gang activity offense if certain requirements under Section 578.421, RSMo, are met. Any person who was convicted of the offense of prostitution and who was under 18 at the time of the offense may apply to the court in which he or she pled guilty or was sentenced to expunge all official records relating to the offense. If the court determines that the person was under 18 when committing the offense, the court shall enter an order of expungement (Sections 567.020, 567.050, 578.421, and 610.131).

FISCAL DESCRIPTION (continued)

Part of this legislation (§§454.600 and 454.603) is federally mandated. The legislation would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office
Department of Elementary and Secondary Education
Department of Insurance, Financial Institutions and Professional Registration
Department of Higher Education
Department of Health and Senior Services
Department of Corrections
Department of Public Safety
Department of Mental Health
Department of Revenue
Department of Social Services
Missouri Office of Prosecution Services
Office of Administration
Office of State Courts Administrator
Office of Secretary of State
State Public Defender's Office
State Treasurer's Office
Cass Regional Medical Center
Joplin Police Department
Springfield Police Department
St. Louis County Department of Justice Services
St. Louis County Police Department
Boone County Sheriff's Department



Kyle Rieman
Director
June 17, 2019

Ross Strobe
Assistant Director
June 17, 2019