

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0364S.01I  
 Bill No.: SB 35  
 Subject: Children and Minors; Family Law; Courts; Domestic Relations; Licenses - Driver's; Licenses - Miscellaneous; Licenses - Motor Vehicle; Professional Registration and Licensing; Department of Social Services  
 Type: Original  
 Date: January 24, 2023

Bill Summary: This proposal modifies provisions relating to the suspension of licenses for failure to comply with a child support order.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue*	Could exceed (\$274,334)	Could exceed (\$296,324)	Could exceed (\$299,508)
<b>Total Estimated Net Effect on General Revenue</b>	<b>Could exceed (\$274,334)</b>	<b>Could exceed (\$296,324)</b>	<b>Could exceed (\$299,508)</b>

\*Oversight ranged the fiscal impact from the low end (10 new FTE) of Department of Social Services' estimate of additional FTE needed to implement the changes in the proposal. The high estimate is 23 FTE (or roughly \$1.1 million General Revenue cost).

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
Federal Funds*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Income and expenses exceed \$576,000 annually and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
General Revenue (DSS)	Could exceed 3.4 FTE	Could exceed 3.4 FTE	Could exceed 3.4 FTE
Federal Funds (DSS)	Could exceed 6.6 FTE	Could exceed 6.6 FTE	Could exceed 6.6 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>Could exceed 10 FTE</b>	<b>Could exceed 10 FTE</b>	<b>Could exceed 10 FTE</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §454.1005 - Hearing provision for suspension of license for delinquent child support

Officials from the **Department of Social Services (DSS), Division of Legal Services (DLS)** state the proposed legislation will have a fiscal impact on the Division of Legal Services (DLS) in administrative hearings of three (3) new FTE DLS Hearing Officers when the Family Support Division- Child Support (FSD-CS) resumes issuing driver's license suspension notices. DLS estimates an increase of between 1,334 and 4,000 new hearings / 588 cases each hearing officer. The estimated 25% to 75% increase in the number of driver's license suspension hearing requests was based on past experience and the additional issues that must be addressed by the DLS administrative hearing unit. DLS defers to the FSD-CS for the fiscal impact on FSD-CS upon the resumption of driver's license suspension.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the FTE estimates as provided by DLS.

**FSD Child Support (CS)** states proposed §454.1005.3 requires hearing requests to be processed timely. FSD child support already has policies and procedures in place to process hearing requests and processing of the requests will be handled by the additional staff requested below. Division of Legal Services (DLS) or the court, rather than FSD, will schedule the hearing that complies with due process to determine if suspension of the obligor's license is appropriate considering all relevant factors.

The FSD CS program stopped all license suspension activities in April, 2020 due to the COVID-19 pandemic. Therefore, the FY 2020 license suspension actions taken by FSD CS are used in determining the impact of this legislation.

If the FSD CS program resumed license suspension activities, the CS program assumes the data from FY 2020 would be applicable.

The Notice of Intent to Suspend Licenses notifies the obligor of the right to request an administrative hearing. There is no requirement in this proposed legislation for the FSD CS program to amend the Notice of Intent to Suspend License to include the additional factors the court or director are to consider when determining if license suspension is appropriate as stated in proposed 454.1005.4. However, FSD child support assumes more obligors will request a hearing as a result of the additional factors in proposed §454.1005.4. During FY 2020, there were 5,473 Notice of Intent to Suspend Licenses successfully served on obligors. In FY 2020, FSD received 139 license suspension hearing requests. Under this proposed legislation, FSD anticipates receiving new license suspension hearing requests on 25% to 75% of the 5,334 (5,473

minus 139) Notice of Intent to Suspend licenses served upon obligors for 1,334 to 4,001 potential additional hearings. In December, 2020, 65 FSD staff spent approximately 20% of their time handling enforcement hearings which converts to 13 (65 \* 20%) full time staff working enforcement hearing requests. In FY 2020, FSD staff handled 2,569 enforcement hearings. 2,569 hearings/13 staff equals 198 (rounded up) hearings/cases handled by each existing staff. FSD would need **7-20 new FTE BPT (Benefit Program Technicians)** staff to handle the 1,334 to 4,001 potential additional license suspension hearing actions under this proposed legislation (1334/198 and 4,001/198).

**FSD** notes that services of the Office of Administration (OA), Information Technology Services Division (ITSD)/DSS will not be needed because changes to automated forms is not necessary.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the FTE estimates as provided by FSD.

**FSD** will comply with 454.1005.5 as it is not appropriate for FSD to suspend an obligor's license if the court or director, after hearing, determines that for good cause the obligor has failed to comply with the monthly support obligation and/or has an arrearage in excess of two thousand five hundred dollars.

**Oversight** notes DSS officials indicate that the proposed legislation does not require FSD to include information regarding the additional factors to be considered when making a decision whether to suspend a license for non-payment of child support. As "obligors" will not be informed of the additional factors to be considered in suspension hearings, **Oversight** assumes, for fiscal note purposes, costs for FSD could exceed the lower limit of the range of 7 Benefit Program Technicians to 20 Benefit Program Technicians provided above.

**Oversight** will reflect a range of FSD FTE as "could exceed" 7 FTE. Therefore, Oversight assumes FSD FTE costs could exceed \$365,009 in FY 2024; could exceed \$441,670 in FY 2025; and could exceed \$445,365 in FY 2026 (split 34% GR; 66% Federal).

**Oversight** notes the **Department of Commerce and Insurance**, the **Department of Elementary and Secondary Education**, the **Department of Revenue**, the **Missouri Office of Prosecution Services**, the **Office of Administration (OA)**, the **OA, Administrative Hearing Commission (AHC)** and the **Office of State Courts Administrator** have 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 organizations.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>GENERAL REVENUE FUND</b>			
<u>Costs</u> - DSS (§454.1005) pp. 3-4	Could exceed...	Could exceed...	Could exceed...
Personal service (DLS)	(\$62,036)	(\$75,188)	(\$75,940)
Personal service (FSD)	(\$79,873)	(\$96,806)	(\$97,774)
Fringe benefits	(\$71,467)	(\$86,267)	(\$86,779)
Equipment and expense	(\$60,958)	(\$38,063)	(\$39,015)
<u>Total Costs</u> – DSS	<u>(\$274,334)</u>	<u>(\$296,324)</u>	<u>(\$299,508)</u>
FTE Change – DSS pp. 3-4	Could exceed 3.4 FTE	Could exceed 3.4 FTE	Could exceed 3.4 FTE
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>Could exceed</u></b> <b><u>(\$274,334)</u></b>	<b><u>Could exceed</u></b> <b><u>(\$296,324)</u></b>	<b><u>Could exceed</u></b> <b><u>(\$299,508)</u></b>
Estimated Net FTE Change on the General Revenue Fund	Could exceed 3.4 FTE	Could exceed 3.4 FTE	Could exceed 3.4 FTE
<b>FEDERAL FUNDS</b>			
<u>Income</u> - DSS (§454.1005) pp. 3-4	Could exceed...	Could exceed...	Could exceed...
Increase in program reimbursements	\$532,529	\$575,218	\$581,397
<u>Costs</u> - DSS (§454.1005)			
Personal service (DLS)	(\$120,424)	(\$145,954)	(\$147,413)
Personal service (FSD)	(\$155,047)	(\$187,917)	(\$189,796)
Fringe benefits	(\$138,729)	(\$167,460)	(\$168,454)
Equipment and expense	(\$118,329)	(\$73,887)	(\$75,734)
<u>Total Costs</u> - DSS	<u>(\$532,529)</u>	<u>(\$575,218)</u>	<u>(\$581,397)</u>
FTE Change – DSS pp. 3-4	Could exceed 6.6 FTE	Could exceed 6.6 FTE	Could exceed 6.6 FTE
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
Estimated Net FTE Change on Federal Funds	Could exceed 6.6 FTE	Could exceed 6.6 FTE	Could exceed 6.6 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

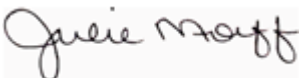
This act provides that the hearings to determine whether the suspension of a business, occupational, professional, recreational, or other license is appropriate when an obligor is not in compliance with a child support order shall comply with due process and shall consider all relevant factors, including the obligor's current and past ability to pay the support, his or her need for transportation, and his or her need for the license for continued employment.

The court or the Director of the Family Support Division shall consider and issue written findings of fact and conclusions of law within 30 days of the hearing. If the court or the Director, after the hearing, determines that the obligor has not made the required payments for good cause, then the court or Director shall not issue an order suspending the license or, if an order is in place, shall stay such order (§454.1005).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements. This proposal would require additional rental space.

SOURCES OF INFORMATION

Department of Commerce and Insurance  
Department of Elementary and Secondary Education  
Department of Revenue  
Department of Social Services  
Missouri Office of Prosecution Services  
Office of Administration - Administrative Hearing Commission  
Office of State Courts Administrator



Julie Morff  
Director  
January 24, 2023



Ross Strope  
Assistant Director  
January 24, 2023