

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0788S.03P
Bill No.: Perfected SS for SB 198
Subject: Department of Health and Senior Services; Vital Statistics; Victims of Crime
Type: Original
Date: March 29, 2023

Bill Summary: This proposal modifies provisions relating to the waiver of fees for birth certificates for certain victims.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue	(\$55,610)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$55,610)	\$0	\$0

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

Numbers within parentheses: () indicate costs or losses.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on FTE	0	0	0

- 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.

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

FISCAL ANALYSIS

ASSUMPTION

Senate Amendment #1

§§136.055, 302.178, and 302.181 – Licenses issued by department of revenue

Officials from the **Department of Revenue (DOR)** assume the following regarding this proposal:

Administrative Impact

To implement the proposed change, the Department would be required to:

- Complete business requirements and design documents to modify the Missouri Electronic Driver License (MEDL) issuance system, MEDL central applications and supporting systems to remove the fee for a nondriver for homeless child, youth, or an intermediate for emancipated youths.
- Complete programming and user acceptance testing of the Missouri Electronic Driver License (MEDL) issuance system;
- OA-ITSD Test the file generation and secure transfer process to ensure all required data elements and signature are sent as required;
- Obtain format and procedure approvals from Secretary of State and others as applicable;
- Update policies, procedures, and the Uniform License Issuance Manual (ULIM);
- Update forms, manuals, and the Department website;
- Complete training as required.

FY 2024 – Driver License Bureau

Research/Data Assistant 360hrs. @ \$17.20 per hr. =\$6,192

Research/Data Analyst 400hrs. @ \$25.63 per hr. =\$10,252

Administrative Manager 80 hrs. @ \$27.82 per hr. =\$2,226

FY 2024 – Personnel Services Bureau

Associate Research/Data Analyst 20 hrs. @ \$20.54 per hr. =\$411

Associate Research/Data Analyst 10 hrs. @ \$20.54 per hr. =\$205

Total Costs \$19,286

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated.

DOR notes OA-ITSD services will be required at a cost of **\$55,610** in FY 2024 (585.37 hours x \$95 per hour).

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

Revenue Impact

DOR notes during FY 2022 there were a total of 113,014 new non-driver licenses issued. DOR does not have statistics to determine of this count how many potential annual applicants may be eligible for a fee waiver under the proposed provisions, therefore, the total impact to State and Local Revenue is unknown.

For each fee waiver eligible non-driver license issued pursuant to this proposed language in §302.181 there would be a loss to General Revenue of \$6.00.

During FY 2022 there were a total of 52,348 intermediate driver licenses issued. DOR does not have statistics to determine of this count how many may potential applicants may be eligible for a fee waiver under the proposed provisions, therefore the total impact to State and Local Revenue is unknown.

For each fee waiver eligible intermediate driver license issued pursuant to this proposed language in §302.178 there would be a loss of fees distributed to the Highway Fund and Local Funds for cities and counties as follows

Hwy Fund Loss (75%) = \$3.75
Cities Fund Loss (15%) = \$0.75
Counties Fund Loss (10%) = \$0.50

For each issued document, DOR would be required to pay fees to the card vendor for printing and postage costs of \$2.4724 per card.

There would also be a loss to General Revenue for office processing fees which would have been collected for non-driver or intermediate license transactions issued in State license offices eligible for waiver of fees pursuant to the proposed language in §136.055. An estimated volume of eligible applicants applying in State branch offices is unknown.

Office Processing Fee each New Non-driver License: \$12.00

Office Processing Fee for each Intermediate License \$ 6.00

The fiscal impact estimate above is based on changes in the current MO Driver License System environment. The Department is pursuing an upgraded Motor Vehicle and Driver Licensing system. The total potential fiscal impact to develop changes in the proposed system in addition to the current environment is unknown.

Oversight notes, according to the National Conference of State Legislatures (NCSL), as of January 2019, 6,179 individuals of all ages were homeless in Missouri. Of these, 1,359 were under the age of 18. Among the homeless youth and young adults, 477 were unaccompanied by an adult.

If all 1,359 of these homeless youth applied for a non-driver license or intermediate driver license, the loss would amount to approximately \$8,154 (1,359 x \$6). Oversight assumes there will be a minimal loss of revenue from this proposal; therefore, Oversight will not reflect a material loss to the Highway Fund or local political subdivisions. In addition, Oversight will not reflect a loss to General Revenue for processing fees as Oversight assumes this loss will be minimal.

Base bill:

§193.265 – Modifies provisions relating to vital records for victims of domestic violence/abuse

Officials from the **Department of Health and Senior Services (DHSS)** state §193.265.6 of this proposed legislation states no fee shall be required or collected for a certification of birth if the request is made by a victim of domestic violence or abuse, as defined in §455.010 RSMo, and if the victim provides documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, or a health care or mental health care professional, from whom the victim has sought assistance relating to the domestic violence or abuse. The victim may only be eligible one time for a fee waiver under this subsection.

Per Missouri Coalition against Domestic and Sexual Violence (MCADS) and the National Coalition Against Domestic Violence (NCADV) 2019 statistical data, domestic violence programs served 36,304 Missourians with over 26,000 requests for services going unmet due to a lack of resources. Therefore, a **total number** equaling more than **62,304**.

There is no estimate of how many of these individuals will request birth certificates. Requests could range from 0% to 100% issuance of approximately 62,304 certificates. Each certificate costs \$15. Therefore, the total loss of revenue for the issuance of requests at 100% would be equivalent to \$778,800 for FY 24; \$934,560 for FY 25; and \$934,560 for FY 26. Birth certificates have a current fee split of \$5 per certificate to the Children's Trust Fund; \$5 to the Missouri Public Health Services (MOPHS) Fund; \$4 to General Revenue; and \$1 to the Endowed Care Cemetery Fund.

Moreover, these types of requests typically take more time than regular requests. Many of these applications come with incomplete information which makes the match more difficult and takes more time in processing. If a match does not result in the issuance of a certified copy, a search fee is not collected like it is from the general public. DHSS expects the number of requests to increase and the loss of revenue and lack of adequate staff to be an issue for program operations. The Department would request a range of one (1) to up to seven (7) FTE to account for the deficiency in staffing depending on how much the work load increases. FTE count comes from the calculation of a fifteen (15) minute application review, processing, and issuance time average with 2,080 working hours per annum which equals 8,320 applications processed per FTE.

Oversight notes, based on DHSS calculations, the loss of revenue to the various state funds impacted by this proposal are estimated to be:

Fund Name	FY 2024 (10 mos.)	FY 2025	FY 2026
General Revenue (\$4)	\$207,680	\$249,216	\$249,216
Children’s Trust Fund (\$5)	\$259,600	\$311,520	\$311,520
MOPHS Fund (\$5)	\$259,600	\$311,520	\$311,520
Endowed Care Cemetery Audit Fund (\$1)	\$51,920	\$62,304	\$62,304
TOTAL	\$778,800	\$934,560	\$934,560

General Revenue	62,304* \$4 = \$249,216
Children’s Trust	62,304* \$5 = \$311,520
Endowed Care	62,304* \$1 = \$62,304
MOPHS Fund	62,304* \$5 = <u>\$311,520</u>
Total	\$934,560

Oversight notes this legislation does provide that a victim is only eligible one time for a waiver of the fee (§193.265.6(2)).

Oversight also notes HB 1300 (2020 legislative session) contained similar language regarding the provision of a free birth certificate to victims of domestic violence. In that fiscal note response, DHSS stated that while they did not know the number of birth certificates that would be issued and the actual potential fiscal impact was unknown, they believed the number of qualifying individuals who would apply for a free birth certificate would be minimal due to the target population most likely being unaware of the legislation.

Since the number of individuals actually applying for a free birth certificate was assumed to be minimal, Oversight assumed, for fiscal note purposes, that it was possible for up to 10% of victims to request a free birth certificate annually. The annual estimated loss of funds to GR in

the fiscal note for HB 1300 was \$0 to \$26,724; the loss to the Children’s Trust Fund was \$0 to \$33,405; the loss to the MOPHS Fund was \$0 to \$33,405; and the loss to the Endowed Care Cemetery Audit Fund was \$0 to \$6,681.

For the current proposal, **Oversight** assumes the potential losses to be minimal and will not present for fiscal note purposes.

Oversight also notes DHSS assumes it will need between one (1) and seven (7) new FTE as a result of this proposal. Because Oversight assumes a minimal number of individuals will actually request a free birth certificate, Oversight further assumes the DHSS will likely not need additional FTE. However, if the DHSS needs additional funding as a result of the provisions of this proposal, they may request additional funding through the budget process.

Bill as a whole

Officials from the **Department of Elementary and Secondary Education**, the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Social Services** and the **Newton County Health Department** each assume the proposal will have no 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.

In response to similar legislation from the current session (SB 47), officials from the **Missouri Department of Transportation** deferred to the DOR for the potential fiscal impact of this proposal.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other public health departments were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE FUND			
<u>Cost – DOR – OA-ITSD services</u> (§§136.055, 302.178, and 302.181)	<u>(\$55,610)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$55,610)</u>	<u>\$0</u>	<u>\$0</u>

<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

Small contract license offices could be impacted as a result of this proposal. (§§136.055, 302.178, and 302.181)

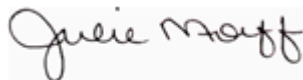
FISCAL DESCRIPTION

This proposal waives certain driver's license fees for homeless children or youth or unaccompanied youth. (§§136.055, 302.178, and 302.181)

This legislation is not federally mandated, would not duplicate any other program but may require additional capital improvements or rental space.

SOURCES OF INFORMATION

- Department of Elementary and Secondary Education
- Department of Health and Senior Services
- Department of Public Safety – Missouri Highway Patrol
- Department of Revenue
- Department of Social Services
- Missouri Department of Transportation
- Newton County Health Department



Julie Morff
 Director
 March 29, 2023



Ross Strobe
 Assistant Director
 March 29, 2023