

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1708-03
Bill No.: SB 473
Subject: Makes various changes regarding child support and children's services.
Type: Original
Date: February 26, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$5,666,813)	(\$6,800,175)	(\$6,800,175)
Total Estimated Net Effect on <u>All</u> State Funds	(\$5,666,813)	(\$6,800,175)	(\$6,800,175)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Federal Funds			
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

* Revenues and expenditures to exceed \$5 million annually and net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health (DMH)** stated the costs associated with Section 191.925 accrue to the Department of Health. The child care referred to in this section is assumed to be “non-treatment related”, or “generic” child sitting or child care services such as those associated with day care for children of working parents.

The DMH officials also stated the costs associated with Section 207.160 accrue to the Division of Family Services. Therefore, no additional duties or responsibilities are imposed upon the DMH and the proposed legislation has no direct fiscal impact upon the DMH. However, an increase in rates by the Division of Family Services could create such a disparity in payment between agencies that the DMH would have difficulty finding residential slots to place clients, thus forcing the DMH to increase rates also.

Officials from the **Department of Health** stated the proposed legislation would have no impact on their agency.

Officials from the **Office of State Courts Administrator** stated the proposed legislation would fiscally impact the Courts but the costs would be absorbable with current appropriations.

Officials from the **Department of Social Services - Division of Child Support Enforcement** stated the proposed legislation would not fiscally impact their organization.

Officials from the **Department of Social Services - Division of Family Services (DFS)** stated that based upon information obtained from cost reports provided by the Missouri Coalition of Children’s Agencies (MCCA) and using a 3.3% annual inflation factor, a total of \$72,599,739 will be needed in order to raise rates to the cost of providing the level of service contracted by the state through FY 07.

The DFS provided a spreadsheet detailing information provided by the MCCA and calculations utilized to arrive at the following figures. The spreadsheet shows a phase-in of costs over a six-year period but will not be reproduced for purposes of this fiscal note.

FY 02	\$12,099,956
FY 03	\$12,099,956
FY 04	\$12,099,956
FY 05	\$12,099,956
FY 06	\$12,099,956
FY 07	\$12,099,956
Total Need	\$72,599,739

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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GENERAL REVENUE FUND

Costs - Department of Social Services -
 Division of Family Services

Residential Treatment Maintenance	<u>(\$5,666,813)</u>	<u>(\$6,800,175)</u>	<u>(\$6,800,175)</u>
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Total Costs - Division of Medical
 Services

	<u>(\$5,666,813)</u>	<u>(\$6,800,175)</u>	<u>(\$6,800,175)</u>
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**ESTIMATED NET EFFECT ON
 GENERAL REVENUE FUND**

	<u>(\$5,666,813)</u>	<u>(\$6,800,175)</u>	<u>(\$6,800,175)</u>
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FEDERAL FUNDS

Income - Department of Social Services
 Division of Family Services

Residential Treatment Maintenance	\$4,416,484	\$5,299,781	\$5,299,781
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Costs - Department of Social Services
 Division of Family Services

Residential Treatment Maintenance	<u>(\$4,416,484)</u>	<u>(\$5,299,781)</u>	<u>(\$5,299,781)</u>
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**ESTIMATED NET EFFECT ON
 FEDERAL FUNDS**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

	FY 2002 (10 Mo.)	FY 2003	FY 2004
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

DESCRIPTION

HW-C:LR:OD (12/00)

The proposed legislation enacts various children's services provisions. A new Section 191.925 requires the Department of Health to support a statewide system of child care resource and referral agencies. No more than one agency should be established per county or city within a county. The agency should identify existing children's services, establish a resource file, and document requests. The agency should also provide technical assistance to parents.

A new Section 207.160 requires the Division of Family Services to increase the foster care reimbursement rate for residential facilities over a six-year period. The rate shall be no less than the cost of providing services, except that, no reimbursement shall exceed such costs. Residential facilities must verify actual costs for the Division.

Currently, in dissolution actions involving minors, the court must order parties to attend educational sessions. New language in Section 452.605 provides that this should occur unless educational sessions are currently provided for in local rules.

This act removes references to child support in Section 516.350, RSMo, which provides a presumption of full payment of maintenance after ten years.

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 Mental Health
Department of Health
Department of Social Services
Office of State Courts Administrator



Jeanne Jarrett, CPA
Director

February 26, 2001