

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0186H.01I
 Bill No.: HB 673
 Subject: Children and Minors; Courts, Juvenile; Children's Division; Tax Credits
 Type: Original
 Date: February 23, 2021

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue*	Could be less than or exceed (\$20,818,467 to \$63,458,468)	Could be less than or exceed (\$26,101,633 to \$81,867,685)	Could be less than or exceed (\$27,037,152 to \$84,701,914)
Total Estimated Net Effect on General Revenue**	Could be less than or exceed (\$20,818,467 to \$63,458,468)	Could be less than or exceed (\$26,101,633 to \$81,867,685)	Could be less than or exceed (\$27,037,152 to \$84,701,914)

* "Could be less than or exceed" reflects the "unknown" impact statements. The high end of the range indicates retroactive MO HealthNet coverage for certain populations.

**Not included in the totals above are several unknown costs to the departments.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
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
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FUND AFFECTED	FY 2022	FY 2023	FY 2024
Federal*	\$0 to (\$1,393,031)	\$0 to (\$1,713,428)	\$0 to (1,756,264)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 to (\$1,393,031)	\$0 to (\$1,713,428)	\$0 to (1,756,264)

* Income and expenses range from \$18,000 to \$46 million annually and net to \$0: This range is based on former foster youth MO HealthNet waiver approval. The high end of the range in the table above reflects potential loss of funds due to non-compliance with CARA.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General	12.5 FTE	12.5 FTE	12.5 FTE
Total Estimated Net Effect on FTE	12.5 FTE	12.5 FTE	12.5 FTE

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§37.717 - Office of Administration to create a safety reporting system for DSS

Officials from **Office of Administration (OA)**, **Office of Child Advocate (OCA)** state this bill requires them to create a safety reporting system that will allow employees of the Department of Social Services (DSS), Children's Division (CD) to report concerns about the safety of children served by CD, as well as the safety of CD's employees. Any criminal act reported to OCA through this system must be reported to the appropriate authorities by OCA.

OCA assumes this bill will result in an unknown increase in concerns regarding the safety of children that are reported to OCA. OCA believes existing staff can handle the increase in incoming reports regarding child safety; however, should the increase be greater than expected, additional staff could be required.

Reviewing the safety concerns of Children's Division employees is a new responsibility for OCA, which would require a new complaint process, database changes, and increased investigative responsibilities. OCA believes it will take two (2) Senior Social Services Specialists (\$40,000 annual salary plus fringe benefits each) to implement and maintain this new responsibility.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by OA, OCA.

Officials from the **Office of Administration (OA)**, **Information Technology Services Division (ITSD)/OCA** state the updates needed to implement this proposal seem to be a very straight forward update to OCA's application and should not affect any other areas of the application. Hours are based upon modifications to existing system. This would add a new category. The new category would be similar in nature to mediation. The new headings would then be fields for worker, phone, email, supervisor, circuit, and caseload type; complaint (similar to existing complaint); and then complaint resolution (similar to existing complaint resolution).

OA, ITSD/OCA assumes every new IT project/system will be bid out because all ITSD resources are at full capacity. IT contract rates for the OCA system are estimated at \$95/hour. It is assumed the necessary modifications will require 43.20 hours for a cost of \$4,104 (43.20 * \$95), 100% GR in FY22 exclusively.

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

Officials from **DSS, CD** state this bill creates a new section, which creates a safety reporting system in which employees of DSS may report information regarding the safety of those served by the DSS and the safety of such department's employees.

2. The identity of any individual who reports shall:

- (1) Be sealed from inspection by the public or any other entity or individual who is otherwise provided access to the DSS confidential records;
- (2) Not be subject to discovery or introduction into evidence in any civil proceeding; and
- (3) Be disclosed only as necessary to carry out the purpose of the reporting.

3. Any criminal act reported into the reporting system under subsection 1 of this section shall be disclosed by the DSS to the appropriate law enforcement agency or prosecuting or city attorney.

4. Any investigation conducted as a result of a report made under this section shall be conducted by an unbiased and disinterested investigator.

There is no fiscal impact to CD as this statute is established under the Office of Child Advocate.

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

§§135.325; 135.326; 135.327; 135.335; 135.800 and 191.975 – Adoption Tax Credits

Officials from the **Office of Administration – Budget & Planning Division (B&P)** state this proposed legislation modifies the Special Needs Adoption Tax Credit and renames it the Adoption Tax Credit. Any person residing in the state who proceeds with the adoption of a child on or after January 1, 2022, regardless of whether such child is a special needs child, shall be eligible to receive a tax credit of up to \$10,000 for nonrecurring adoption expenses. This credit is capped at \$2 million but may be increased by appropriation. In FY20, less than \$30,000 was redeemed for this tax credit.

These changes could increase participation in the program and could reduce General Revenue (GR) and Total State Revenue by an amount up to \$2 million annually. This change may impact the calculation pursuant to Art. X, Sec. 18(e).

Oversight notes this proposed legislation expands the program so that the adoption(s) of children who are not considered special needs will qualify for the Adoption Tax Credit as well.

Officials from the **Missouri Department of Revenue (DOR)** state, under current law, a tax credit is available for taxpayers who adopt a special needs child in an amount up to \$10,000 for nonrecurring adoption expenses. A business entity that provides funds to an employee to enable the employee to adopt a special needs child can also receive a tax credit up to \$10,000 for nonrecurring expenses paid.

This proposed legislation, starting January 1, 2022, would remove the restriction that this tax credit be only for the adoption of special needs children and will allow for the adoption of any child.

The current cap is set at \$2 million annually but can be adjusted based on appropriation by the General Assembly.

This proposed legislation would allow the adoption credit for any child, not just special needs children. However, this proposed legislation does not impact the current cap on the program.

DOR provides the following information on the amounts redeemed each of the last few fiscal years:

Year	Total Redeemed
FY 2020	\$29,404.00
FY 2019	\$19,185.00
FY 2018	\$88,706.00
FY 2017	\$127,211.00
FY 2016	\$231,367.00
FY 2015	\$380,715.00
FY 2014	\$718,495.00
FY 2013	\$744,155.00
FY 2012	\$1,036,226.00

While expanding the number of adopted children that qualify for this program may increase participation in this program; the annual cap of \$2 million is not changed. Therefore, DOR does not anticipate an impact from this program.

DOR states, by expanding the eligibility for the type of adoptions that are eligible for the credit, it is likely an increase in the number of individual and corporate returns claiming the credit will occur.

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

Officials from the **Missouri Department of Commerce and Insurance (DCI)** state this proposed legislation could cause a potential unknown decrease of premium tax revenues (up to the tax credit limit established in the bill) as a result of the change to the “Adoption Tax Credit Act” tax credit. Premium tax revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund.

The County Foreign Insurance Fund is later distributed to school districts throughout the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year and which insurers will qualify for the tax credit proposed.

DCI will require minimal contract computer programming to add this new tax credit to the premium tax database and can do so under existing appropriation. However, should multiple bills pass that would require additional updates to the premium tax database, the department may need to request more expense and equipment appropriation through the budget process.

Oversight notes DCI assumes the programming changes required as a result of this proposed legislation can be done so under existing appropriation.

Oversight notes this proposed legislation changes the name of the Special Needs Adoption Tax Credit to Adoption Tax Credit.

Currently, the Special Needs Adoption Tax Credit is limited to adoptions of special needs children who are residents or wards of residents of Missouri at the time the adoption is initiated.

This proposed legislation removes the requirements that such child being adopted be a special needs child or a resident or ward of a resident of Missouri. Therefore, a tax credit may be awarded to residents of this state who adopts any child or to a business who provides the funds necessary for an employee to adopt any child.

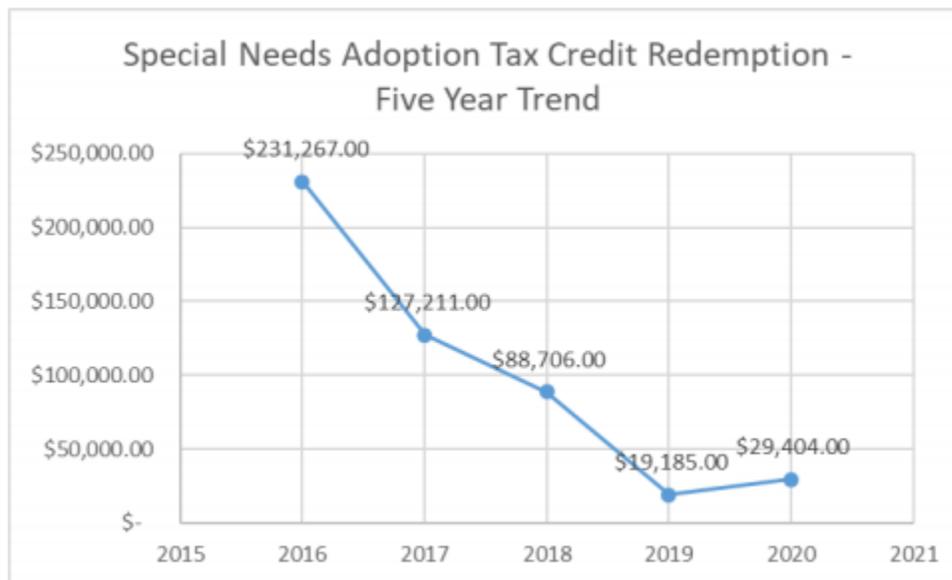
This proposed legislation states that priority shall be given to applications to claim the tax credit for special needs children who are residents or wards of residents of this state at the time the adoption is initiated.

Oversight assumes participation in the tax credit program under §§135.325 to 135.339 will increase as a result of the reduced requirements needed to receive the tax credit.

Oversight notes, per the Tax Credit Analysis submitted to Oversight by the Department of Revenue, the Special Needs Adoption Tax Credit had the following activity as it is currently administered:

Special Needs Adoption Tax Credit	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 (year to date)	FY 2021 (Full Year – est.)	FY 2022 (Budget Year – est.)
Amount Redeemed	\$88,706	\$19,185	\$29,404	\$0	\$45,000	\$45,000

Oversight notes, based on information provided to Oversight by DOR, the three year average amount of Special Needs Adoption Tax Credit claimed and allowed on tax returns totals \$45,765. Oversight further notes the five year average amount of Special Needs Adoption Tax Credit claimed and allowed on tax returns totals \$99,155. Below is a visualization showing the five year redemption trend for the Special Needs Adoption Tax Credit:



Oversight assumes much of the downward trend shown above is a result of [Senate Bill\(s\) 20, 15, and 19 of the 2013 Regular Session](#) which modified the Special Needs Adoption Tax Credit program by prohibiting the Special Needs Adoption Tax Credit for the adoption of non-resident children.

Oversight assumes, if passed, this proposed legislation would likely cause an upward trend in tax credit redemptions.

Oversight notes, per DOR, the estimated amount of Special Needs Adoption Tax Credit that will be claimed and allowed on tax returns during Fiscal Year 2022 totals \$45,000. Oversight notes the modifications to the Special Needs Adoption Tax Credit proposed in this legislation would begin January 1, 2022. Tax returns for Tax Year 2022 would not be filed until after January 1, 2023 (Fiscal Year 2023). Therefore, for purposes of this fiscal note, Oversight will show a reduction to GR equal to a range, beginning at \$0 (participation in the tax credit program does not change) to the difference between the tax credit cap of \$2 million and the estimated Fiscal Year 2022 redemption amount, as estimated by DOR, beginning in Fiscal Year 2023.

Officials from **CD** state these sections allow for tax credits for children adopted from outside Missouri and non-special needs children and thereby reducing the amount in the pool for Missouri adoptions and special needs adoption.

The chart below represents the number of finalized adoptions in Missouri, through Children’s Division in FY14 to FY20. This does not include privatized and foreign adoptions:

<u>Fiscal Year</u>	<u>Finalized Adoptions</u>
FY14	1250
FY15	1243
FY16	1536
FY17	1602
FY18	1748
FY19	1826
FY20	1740

Officials from **DSS**, **CD** and the **Division of Finance and Administrative Services (DFAS)** assume the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact for these agencies in the fiscal note for this section.

§160.261 - Provisions relating to school district personnel; reports of abuse

DSS states this bill deletes provisions starting in subsections 10 through 21 of §160.261 except for subsection 11, which remains. The sections deleted in this bill contained provisions which deferred investigation responsibilities to school administration. These deletions would require the Children’s Division to investigate these reports according to Chapter 210 statute.

There is no fiscal impact to CD.

Oversight notes the deleted portions of §160.261 included school administration responsibilities in conjunction with CD’s role in investigating and reporting on abuse and misconduct reports. Because the provisions under Chapter 210 already contained CD’s guidelines for investigations, their workload is largely unchanged by the provisions of this section. Therefore, Oversight will reflect the no fiscal impact assumed by CD for this section for fiscal note purposes.

§191.737 - Health care provider reports of a child’s exposure to controlled substances

Officials from **CD** state The Comprehensive Addiction and Recovery Act (CARA) (P.L. 114-198) established a comprehensive, coordinated, and balanced strategy to fight the opioid epidemic through enhanced grant programs that would expand prevention and education efforts while also promoting treatment and recovery.

CARA amended sections of the Child Abuse Prevention Treatment Act (CAPTA) to remove the term “illegal” as applied to substance abuse affecting the identified infant and to specifically require that Plans of Safe Care address the needs of both infants and their families/caretakers. States are required to have policies and procedures (including appropriate referrals to child protection service systems and for other appropriate services) to address the needs of infants born and identified as being affected by substance abuse or withdrawal symptoms resulting from prenatal drug exposure, or “a Fetal Alcohol Spectrum Disorder”, including a requirement that health care providers involved in the delivery or care of such infants notify the child protective services system of the occurrence of such condition of such infants.

With the addition of the proposed subsection, there is a potential that funding could be withheld from the Children’s Division due to not being in compliance with the CARA law. CD received \$1,671,637 for CAPTA in FY20. When CD spoke with their Federal partners regarding this legislation, those partners stated the legislation does not appear to line up with the requirements of CARA and if passed would likely be subject to some sort of adverse action until resolved.

Oversight does not have information to the contrary and therefore, Oversight will reflect the potential losses due to CARA non-compliance as a range from \$0 to (\$1,671,637) for this section for fiscal note purposes.

Officials from the **DSS, Division of Legal Services (DLS)** defer to CD for the potential fiscal impact of this proposal.

Oversight notes DLS’s deferral to CD for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for DLS for this section.

§193.075 – Children’s Division use of Social Security Numbers

Officials from **CD** state this bill prohibits CD from the use any Social Security number (SSN) furnished under this section for any purpose other than providing access to social services or verifying the identity of a parent of a child whose birth record information is provided under §210.156 and the confidentiality provisions of §210.156 shall apply.

CD states the language in this section would not allow them to make application for a youth’s Social Security benefits while in care. DSS has to have the youth’s SSN and Departmental Client Number (DCN) to make application for benefits. If DSS is not able to receive a youth’s Social Security benefits, program costs for youth will increase as the benefits currently offset the cost of their care. In FY20, DSS offset youths’ program costs by \$7,504,002. The implementation of this language could result in an increase of up to \$7,504,002 from General Revenue.

Oversight does not have information to the contrary and therefore, Oversight will reflect the potential losses due to not being able to apply for Social Security benefits as a range from \$0 to (\$7,504,002) for this section for fiscal note purposes.

§208.151 - Persons eligible for MO HealthNet; changes to former foster care youth provisions

Officials from CD state this bill provides health care for children who were in care any time after 13 years of age to 26. This is a benefit to foster children who may not have the parental support available after having been released from care. Of those that were in foster care ages 13-26 without regard to income or assets, approximately 806 children would be eligible based on the new language.

CD states this would have a fiscal impact on MO HealthNet, however CD does not anticipate a fiscal impact for the Children's Division.

AGE	# YOUTH	# of years Medicaid Eligible	
13	142	13	1,846
14	146	12	1,752
15	160	11	1,760
16	169	10	1,690
17	189	9	1,701
	806		8,749

Oversight does not have any information to the contrary. Therefore, Oversight will reflect no impact for CD for this section for fiscal note purposes.

Officials from the **DSS, Family Support Division (FSD)** state [Section 1902 \(a\)\(10\)\(i\)\(IX\) of the Social Security Act and 42 CFR 435.150](#) 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 allow persons who were not in foster care on the date of attaining eighteen to be eligible without regard to assets or income.

The federal law does not list having access to any other private insurance an eligibility factor for this population. Missouri Statute [RSMo 208.215](#) requires MO HealthNet to be the payer of last resort and states anything MO HealthNet pays for that can be covered by the private insurance is a debt due the state. Missouri would need to apply and be approved for an 1115 waiver in order to add not having access to private insurance as an eligibility factor for former foster care youth.

FSD assumes "having access to any other private insurance" would be defined in the same manner as the existing requirement for the premium level Children's Health Insurance Program (CHIP) cases that states individuals cannot have access to affordable health insurance through employment, a group membership, or from a private company. §208.640 outlines the affordability standard as:

- For households with gross income above 150% up to and including 185% of FPL the affordability standard is based upon a monthly premium amount of 3% of 150% of the FPL for a household of three
- For households with gross income above 185% up to and including 225% of FPL the affordability standard is based upon a monthly premium amount of 4% of 185% of the FPL for a household of three
- For households with gross income above 225% up to and including 300% of FPL the affordability standard is based upon a monthly premium amount of 5% of 225% of FPL for a household of three

Missouri currently has an 1115 demonstration waiver pending approval from The Centers for Medicare and Medicaid Services (CMS) titled “Missouri Former Foster Care Youth” which requests authority for Missouri to provide MO HealthNet coverage to Missouri residents who are former foster care youth under age 26, who were in foster care under the responsibility of another state for at least six months as of the date they turned 18, and were enrolled in Medicaid while they were in foster care.

In FY20, there were 806 children age 13 to 17 who left foster care in Missouri and did not reenter and 78 children who were placed in Missouri who were under the responsibility of another state for at least 6 months. For the purpose of this bill, FSD is estimating all children age 13 to 17 who left foster care or were in foster care under the responsibility of another state for at least 6 months are eligible for this coverage through age 26. It is unknown how many of these children have access to affordable insurance, so FSD estimates 0 to 884 (806 + 78) may no longer qualify under this legislation.

FSD assumes the additional work as a result of this legislation can be accomplished with existing staff.

FSD defers to the **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS** for any system changes necessary to implement provisions of this bill.

FSD defers to MO HealthNet Division for the costs to the MO HealthNet program.

Therefore, there is no fiscal impact to FSD.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect no impact for FSD for this section for fiscal note purposes.

Officials from **DSS, MO HealthNet Division (MHD)** state it is unclear from the bill language whether the enrollment would be considered retroactive to include liability on the part of the state for any medical claims not otherwise covered by Third Party Liability for claims prior to August 28, 2021. If the intent of this bill was to make those formerly in foster care eligible for

enrollment August 28, 2021 with no retroactive state liability for medical claims, then the MHD would assume a range starting at fifty percent of the population. The assumption would be that the foster care eligible individuals would need to apply to be eligible, and if only approximately fifty percent applied, the cost would be \$37,018,716.

If the intent of this bill was to make those formerly in foster care eligible for enrollment August 28, 2021 with retroactive state liability for medical claims, then the parameters of this legislation would have a higher impact. CD reports that a total of 806 children in FY20 between the ages of 13 and 17 exited foster care provided by CD and did not re-enter. These 806 children would now be eligible for MHD services that they are not currently. Moreover, children that were aged between 13 and 25 need to be realized for all years dating back to 2012 (the year where a child would have been 13 at the time, but is now 25). CD found the total number of years these children would be eligible multiplied by the number of eligible children would be 8,749. MHD found that a per member per month (PMPM) rate for foster care services is \$705.20. Therefore, an annual cost for this new legislation is estimated to be \$74,037,432 (8,749 newly eligible * \$705.20 PMPM * 12 months).

FSD estimated there will be a range of 0 to 884 individuals with access to affordable insurance and therefore not eligible for MO HealthNet coverage. MHD found this population would fall under the foster care eligibility group, and their PMPM rate would be \$705.20. Therefore, an annual cost reduction for this population is estimated to be \$7,497,676 (886 individuals with access to affordable insurance * \$705.20 PMPM * 12 months).

FY22 (10 mos) Total: \$0 - \$6,233,959 (GR: \$2,184,379 to \$6,233,959; Fed: \$0 to \$4,049,580)
FY23 Total: \$0 - \$6,464,616 (GR: \$2,265,201 to \$6,464,616; Fed: \$0 to \$4,199,414)
FY24 Total: \$0 - \$6,703,806 (GR: \$2,349,014 to \$6,703,806; Fed: \$0 to \$4,354,793)

§208.151.1(26) states if participants were in foster care in any state for at least six months at any time when they were thirteen years of age or older, and are residing in MO and are at least eighteen years of age but under twenty six and do not have other insurance, they can qualify for MO HealthNet benefits. CD estimated 78 eligible participants would qualify under this proposed legislation. The MHD found that this population would fall under the foster care eligibility group, and that their PMPM rate would be \$705.20. Therefore, an annual cost for this population is estimated to be \$550,055. MHD assumes a waiver would need to be approved by CMS before a federal match would be approved, therefore a range is used to reflect costs with and without CMS approval.

FY22 (10 months) Total: \$550,055 (GR: \$192,739 to \$550,055; Fed: \$0 to \$357,316)
FY23 Total: \$684,489 (GR: \$239,845 to \$684,489; Fed: \$0 to \$444,644)
FY24 Total: \$709,815 (GR: \$248,719 to \$709,815; Fed: \$0 to \$461,096)

For former foster children aged 13-17, without considering assets or income, there is not a federal match for their medical assistance. Therefore, these newly eligible would need to be covered all with GR funds, unless they qualify for another MHD service. A 3.7% inflation rate

was used for FY23 and FY24. A range is used to reflect whether enrollment needs to be added retroactively or not.

FY22 (10 mos) Total: \$31,398,985 to \$56,013,956 (GR: \$19,627,290 to \$56,013,956; Fed: \$0 to \$36,386,666)
FY23 Total: \$39,072,897 to \$70,996,690 (GR: \$24,877,240 to \$70,996,690; Fed: \$0 to \$46,119,450)
FY24 Total: \$40,518,594 to \$73,623,568 (GR: \$25,797,698 to \$73,623,568; Fed: \$0 to \$47,825,869)

The impact will be greater than this amount, as the number of foster children from other states who were in foster care and moved to Missouri is unknown.

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

DLS defers to MHD for possible fiscal impact due to coverage requirement changes and expansions.

Oversight notes DLS's deferral to MHD for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for DLS for this section.

Officials from **OA, ITSD/DSS** state changes to the Family and Children Electronic System (FACES) will be needed to implement this section of the proposal. These changes include the age for former children in regard to their eligibility for Medicaid through FACES. The assumption is that this item will require changes in FACES and is included in the costs listed above. It may also require changes to FAMIS/MEDES.

OA, ITSD/DSS assumes every new IT project/system will be bid out because all ITSD resources are at full capacity. IT contract rates for FACES are estimated at \$95/hour. It is assumed the modifications will require 1,897.56 hours for a cost of \$180,268 (1,897.56 * \$95), split 50% GR; 50% Federal for FY22. The ongoing costs are estimated at \$36,956 for FY23, and \$37,880 for FY24, split 50% GR; 50% Federal.

Oversight notes that OA, ITSD/DSS did not include any costs associated with FAMIS or MEDES updates in their level of effort (LOE) for any sections of this proposal. Oversight also notes the estimated costs for updates to FACES as the result of this proposal were not broken down by section and the costs included in the estimate are total costs for §§208.151; 210.156 and 217.779. Oversight assumes OA, ITSD/DSS will be able to perform any additional duties required by this proposal with current staff and resources. Oversight also assumes OA, ITSD/DSS may seek additional appropriations if this section of the proposal results in a significant increase in costs. Therefore, Oversight will reflect the costs provided by OA, ITSD/DSS for fiscal note purposes for these sections only.

Officials from the **Department of Mental Health (DMH)** state subdivision 26 of §208.151.1 is changed to allow persons ages 18 through 25 to be covered by MO HealthNet if the person was covered by Medicaid while in foster care for at least 6 months in any state after turning age 13. The subdivision is also changed to add a requirement that former foster children not have access to other private health insurance. The proposed changes will expand the current MO HealthNet for former foster children under age 26 which currently is limited to children who left Missouri foster care within 30 days of turning age 18 or later, but restrict to those who do not have access to other insurance.

The anticipated fiscal impact to the Department of Mental Health for Community Psychiatric Rehabilitation (CPR), Comprehensive Substance Treatment and Rehabilitation (CSTAR), and Developmental Disabilities (DD) waiver services are included in the Department of Social Services (DSS) estimate. DMH defers to DSS for a fiscal response.

Oversight notes DMH's deferral to DSS for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for DMH.

Officials from **OA, B&P** state this legislation would extend MO HealthNet coverage to kids who aged out of any state's foster care system, are residing in Missouri, and are between the ages of 18-26 without any other access to private insurance. B&P defers to DSS for any fiscal impact related to this provision.

Oversight notes OA, B&P's deferral to DSS for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for OA, B&P for this section.

§210.001 - DSS to address needs of families-in-conflict

CD states §210.001 contains provisions which require DSS to address the needs of homeless, dependent and neglected children in the supervision and custody of CD and to their families-in-conflict in accordance with federal law.

§210.001 contains provisions requiring DSS, when prioritizing positive outcomes for children, monitor and measure its success by preventing harm to children and limiting out of community placements, preserving and restoring families of origin, using foster care when appropriate, and helping children be adopted into new families when appropriate. At all times, the safety of the child shall be the priority.

This language possesses a potential impact to CD's workload and ITSD to build data collection elements into the information system. The amount of fiscal impact is unknown. CD defers to ITSD for a fiscal impact.

Oversight notes CD's deferral to OA, ITSD/DSS for a statement of fiscal impact. Therefore, Oversight will reflect a zero impact for this section for CD in the fiscal note.

Officials from **OA, ITSD/DSS** state this section describes possible policy changes in the area of homeless children and at-risk families. OA, ITSD/DSS assumes this is a CD policy item and no system requirements would be needed. Therefore no costs were attributed to this item. Additionally, this section describes proposed policy that is already in place and available within FACES.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact for this section for OA, ITSD/DSS in the fiscal note.

§210.109 - Child protection system; reporting, monitoring, measuring outcomes

Officials from **DLS** anticipate a fiscal impact due to the possible increased need for litigation support and legal guidance regarding record retention, possible redactions, and attorney time for case reviews. DLS is requesting one attorney based on 2,080 hours required to enter into and track all cases as contemplated by this legislation. DLS also requests one Document Management Unit (DMU) FTE cover 520 hours to complete data entry and prepare reports regarding all actions taken in reported cases related to this section of the proposal. This expense is detailed in the DLS response under §210.160.

Oversight does not have information to the contrary. Oversight notes DLS's request for one FTE (Attorney) at an annual salary of \$60,461 plus fringe benefits to cover the provisions of this section. Oversight will reflect the estimates as provided by DLS.

CD states this bill requires the CD child protection system to promote the safety of children and the integrity and preservation of their families by conducting investigations or family assessments and providing services to be built on the priorities set forth under §210.001 and, as appropriate, federal goals and guidelines. The system shall respond promptly and appropriately to all reports of child abuse or neglect.

Officials from the CD assume the proposal will 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.

Officials from **OA, ITSD/DSS** state this section includes wording about having case reviews as part of FACES. This functionality already exists and is being used.

Oversight notes OA, ITSD/DSS assumes the proposal will have no fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact for this section for OA, ITSD/DSS in the fiscal note.

§210.119 - DSS to create and maintain a comprehensive child welfare information system

Officials from **DSS** state §210.119 requires DSS to create and maintain a comprehensive child welfare information system (CCWIS) to serve as the statewide information system for documenting and reporting child welfare information.

The CCWIS shall:

- Maintain data between counties, business partners, and state departments and allow real-time information sharing and measurable data retrieval at the county and agency level
- Public and private foster care case management organizations shall have real-time access to child and family specific information, financial data, and aggregate program information to efficiently and effectively track outcomes, monitor county and agency performance and compliance, and make business decisions based on accurate and timely information.

§210.119 describes the information system ITSD is currently transitioning to CCWIS. CD does not see any fiscal impact beyond what has already been planned for with federal partners for their transition to CCWIS.

CD defers to OA, ITSD/DSS fiscal analysis to the cost of developing and maintaining a comprehensive child welfare information system (CCWIS).

Oversight notes CD's deferral to OA, ITSD/DSS for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for CD for this section.

Officials from **DLS** state, if this proposed legislation is to allow access to the child welfare system by private, non-contracted entities, who are not agents of DSS, this will increase the need for legal assistance by DLS, including the facilitation of data use and system access memorandums and compliance as a business associate, to include compliance with any data breach requirements in state and federal law.

DLS requests one Privacy Officer for the following:

§210.119 - ½ FTE 1,040 hours to handle data sharing agreements, contracts, and interfacing with IT/CD/OA and attendant privacy issues including breaches, and §210.160 advise to Document Management Unit (DMU), plus

§210.188 - ½ FTE 1,040 hours for gathering, redacting, reporting to General Assembly the anonymized reports of adoptions, etc.

Oversight notes DLS's request for 1 FTE at an annual salary of \$55,584 plus fringe benefits to cover the provisions of §§210.119; 210.160 and 210.188. Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by DLS.

Officials from **OA, ITSD/DSS** state this section includes wording about building and maintaining a CCWIS system. FACES is currently in the process of converting from SACWIS to CCWIS. There is no cost estimated unless the plan is to replace FACES with a new system.

Oversight assumes the conversion to CCWIS will be sufficient to satisfy the requirements of this proposal and no additional costs will be incurred by OA, ITSD/DSS for this section. Therefore, Oversight will reflect a zero impact for this section in the fiscal note for OA, ITSD/DSS.

§210.156 - DHSS and DSS to share certain birth information

Officials from **DSS** state this bill requires CD to make available to the state registrar of vital statistics identifying information of on individuals whose:

- (1) Parental rights have been terminated and are identified in the central registry as having a finding by the division or a court adjudication of child abuse or neglect;
- (2) is identified in the central registry who have pled guilty or have been found guilty of certain offenses
- (3) is identified in the central registry who have pled guilty or have been found guilty of certain offenses

CD personnel shall initiate contact with the family, or make a good faith effort to do so, to determine if the parent or family has a need for services and provide such voluntary and time-limited services as appropriate. CD shall document the results of such contact and services provided, if any, in the information system established under §210.109.

This would be an additional cost as CD would have to have additional staff to perform these duties; however, it is difficult to measure the number of staff needed.

CD states there will also be additional ITSD costs as there is currently no tracking mechanism in the Family and Children Electronic System (FACES). CD defers to OA, ITSD/DSS for a cost impact.

Oversight does not have any information to the contrary. Therefore, Oversight assumes CD will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to CD for fiscal note purposes. Oversight also assumes CD may seek additional appropriations if this section of the proposal results in a significant increase in costs.

DLS defers to CD to assess the number of new cases and services may be initiated as a result of this new section.

Oversight notes DLS's deferral to CD for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for DLS for this section.

Officials from **OA, ITSD/DSS** state this section has wording about the installation of a new interface with DHSS regarding parents that have had their parental rights terminated by the courts on behalf of the Children's Division. The changes required for this interface are included in the totals under the OA, ITSD/DSS response for §208.151.

OA, ITSD/DSS assumes the interface would be a subroutine within FACES that would be invoked by the Department of Health and Senior Services (DHSS) with a DCN used as the input. If the input is something other than a DCN, then more information will be needed by OA, ITSD/DSS before providing a new LOE for this requirement.

This section also describes possible policy changes about new births. OA, ITSD/DSS assumes CD will submit requirements to OA, ITSD/DSS if any system changes would be needed to support the policy.

Oversight notes the estimated costs for updates to FACES as the result of this proposal were not broken down by section and the costs included in the estimate are total costs for §§208.151; 210.156 and 217.779. Total hours and costs are listed in the OA, ITSD/DSS response for §208.151.

Oversight further assumes OA, ITSD/DSS will be able to perform any additional duties required by this proposal with current staff and resources. Oversight also assumes OA, ITSD/DSS may seek additional appropriations if this section of the proposal results in a significant increase in costs. Therefore, Oversight will reflect the costs provided by OA, ITSD/DSS for fiscal note purposes for §§208.151; 210.156 and 217.779 only.

§210.157 – “Birth Match Program”

Officials from **DHSS** state, per information provided by DSS, an average of 2,185 parents have their rights terminated per year in Missouri. Based on the anticipated number of data requests, 0.5 FTE Research/Data Analyst would be required to handle the additional duties. The average annual salary of a Research/Data Analyst in the Division of Community and Public Health (DCPH) is \$46,651 as of January 1, 2021. The duties of the research/data analyst would include matching the list of individuals whose identifying information was provided by DSS to DHSS databases through complex programming queries and working with other units to ensure linkage of information across entities in an accurate manner.

Oversight contacted DHSS staff regarding changes to staffing and ITSD costs provided for similar provisions found in HCS HB 2216 (2020). In that fiscal note response, DHSS assumed 1 FTE Public Health Data Technician I (\$29,448) would be needed to maintain a list of individuals whose identifying information was provided by the DSS, searching for the information and documentation, and processing the vital record information for submission to DSS. In addition, approximately \$41,040 in ITSD costs for changes to the electronic vital record keeping system was going to be required.

DHSS officials stated that, after further research for the current proposal, it was determined the task required by this proposal could be accomplished by having a research analyst use a linkage process the Bureau of Vital Records already has the capability of performing (thus, no ITSD costs), rather than someone having to go through each record manually. However, the work would be done by a different bureau and would require a higher skilled position to perform the process (complex programming queries).

Generally, **Oversight** assumes departments have the ability to absorb limited increases in duties by existing staff. However, DHSS officials stated the DCPH does not currently have the capacity to absorb even 0.5 FTE of a Data/Research Analyst. Therefore, for fiscal note purposes, Oversight will present DHSS' request for 0.5 FTE Research/Data Analyst in the Division of Community and Public Health (\$46,651) as of January 1, 2021. However, Oversight assumes 0.5 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 0.5 FTE. However, if multiple proposals pass during the legislative session requiring additional FTE, cumulatively the effect of all proposals passed may result in DHSS needing additional rental space.

Officials from **CD** state this bill creates §210.157, known and cited as the "Birth Match Program".

This bill requires the director of DSS to provide to the director of DHSS information regarding an individual who, as to any child, has had his or her parental rights terminated and has been identified in the central registry as being responsible for abuse or neglect.

CD states §210.157 does not create a fiscal impact for Children's Division as it is ensuring services are provided if needed.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the no fiscal impact assumed by CD for this section for fiscal note purposes.

Officials from **DLS** state this section will not likely have a fiscal impact to DLS. DLS defers to CD to measure this possible fiscal impact.

Oversight notes DLS's deferral to CD for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for DLS for this section.

§210.158 – The Attorney General to have concurrent jurisdiction for cases involving child abuse or neglect

Officials from the **Attorney General's Office (AGO)** state §210.158 would cause a negative fiscal impact of \$0 to (Unknown). It is unknown what the specific expenses would be because the AGO is not able to project how many cases they would handle under the new language.

Oversight does not have information to the contrary and therefore, Oversight will reflect the \$0 to (Unknown) estimates as provided by the AGO.

§210.160 - A guardian ad litem may conduct well-child checks in certain situations

Officials from DSS state this section provides that a guardian ad litem may conduct well-child checks in emergency situations under a court order.

DLS states the 48-hour turnaround time will have a fiscal impact on DLS litigation support due to an increased need for on-call counsel available for redaction consultation in case questions arise as to what the guardian ad litem is legally entitled to know/have in the form of documents. The phrase “fully inform” does not explicitly say records, but records are likely necessary in order to “fully inform.” The following FTEs are requested:

One Attorney based on 520 hours to advise the DMU re: redactions and 1,040 hours to defend the additional Termination of Parental Rights (TPR) cases filed by guardians ad litem across the state plus (for §211.032) 520 hours for additional court time and provision of legal services to CD regarding new requirement of monthly hearings for certain families.

One DMU based on 1,040 hours to request all records from CD, receive, redact and provide records to guardians ad litem within 48 hours of inquiry plus for (§210.188) 520 hours to assist with redaction of records for report to General Assembly for anonymized reports and (for §210.109) 520 hours to complete data entry and prepare reports regarding all action taken in reported cases.

Oversight notes DLS’s request for 2 FTEs: One Attorney at an annual salary of \$60,461 plus fringe benefits to cover the provisions of §§210.160 and 211.032; and one DMU FTE at an annual salary of \$33,994 plus fringe benefits to cover the provisions of §§210.109; 210.160 and 210.188). Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by DLS.

CD states this is not a requirement. There is no fiscal impact for the Children’s Division.

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

§210.188 - Information to be included in the DSS report to the Governor and General Assembly

CD states §210.188 contains information to be included in a DSS report to the Governor and General Assembly and, if applicable, such information shall be broken down by county and agencies managing cases on behalf of the department.

§210.188 requires CD to compile individual-level anonymized data for the prior calendar year that allows researchers to track children through the child protection system and allows analysis of outcomes and comparisons.

In response to the provisions of §210.188, CD states this section requires CD to provide individual-level anonymized data to the Missouri research institution in order for them to produce a report containing various metrics.

CD further states the data required to be provided will not be sufficient to produce the required report. There will be a fiscal impact for a Missouri research institution to produce this report estimated to be \$200,000. CD does not have existing resources to produce this report.

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

Officials from **DLS** state the requirement to make de-identified data available to researchers will require DLS involvement, in conjunction with the DSS Privacy Officer, to review and revise data use memorandums with research and add specifications on the use of the data, including a prohibition on attempting to pair the data with other sources to identify the client(s).

Oversight notes that the Privacy Officer duties in this section have already been discussed and reflected in the FTE request under the DLS response for §210.119 and no additional FTE are being requested for this section. Therefore, Oversight will reflect a zero additional impact in the fiscal note for DLS for this section.

Officials from **OA, ITSD/DSS** state this section possibly changes the way annual reports are completed. OA, ITSD/DSS assumes this reporting would continue to be done by the DSS Research & Evaluation team and that OA, ITSD/DSS would have no role in these possible changes.

Oversight notes OA, ITSD/DSS assumes the proposal will have no fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact for this section for OA, ITSD/DSS in the fiscal note.

§210.652 – Computerized method for the electronic exchange of data required by ICPC

This section of the proposal requires DSS, in conjunction with the Office of Administration, to implement a computerized method to allow for the electronic exchange of data and documents required by the Interstate Compact on the Placement of Children (ICPC).

Officials from **CD** state this has been completed and there is no new fiscal impact. However, there is an existing fiscal impact of dues in the amount of \$8,500 annually to maintain access to the national Association of Administrators of the Interstate Compact on the Placement of Children (AAICPC) system.

Oversight notes that CD assumes this section of the proposal will have no new fiscal impacts on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for CD for this section.

§210.950 - "Safe Place for Newborns Act of 2002" and newborn safety incubators

Officials from **DSS** state this bill modifies §210.950.2 by adding the term "Newborn safety incubator", defined as a medical device used to maintain an optimal environment for the care of a newborn infant. This bill adds the option to deliver the child safely to a newborn safety incubator as defined under this section.

This legislation does not specify where these safety incubators might be located and how many would be made available. Current law requires these children to be delivered into the physical custody of authorized individuals. CD is notified and takes physical custody of the child. This law would allow a parent to deposit the child in an incubator anonymously, without having direct contact with authorized personnel, which could result in an increase of children coming into care.

In fiscal year FY19, 12 children were taken into care as a result of being delivered to authorized personnel in accordance to this law. In FY20, two (2) were delivered into care. The average of fiscal years 2019 and 2020 is approximately three (3) per year. Based on this average, CD assumes that the number of children entering Foster Care (FC) could be anywhere from an additional 0 to 3 children per year under this law.

As a result of children entering Foster Care, program costs including Children's Treatment Services (CTS), FC, and Residential Treatment Services (RTX) would be incurred ranging from \$0 to \$55,282. CTS services utilized could be for the parent or child. CD assumes that 25% of the children would need to be placed as an emergency placement resulting in RTX costs with 75% of the children being immediately placed with a resource parent resulting in FC costs. Below is the breakdown of program costs.

	<u>12-mo</u>	<u>10-mo</u>
CTS	\$7,662.00	\$6,385.00
FC	\$29,306.00	\$24,421.67
RTX	\$18,314.00	\$15,261.67
	\$55,282.00	\$46,068.33

CD assumes that existing staff and resources could absorb the number of children coming into care as a result of this legislation.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the no fiscal impact assumed by CD for this section for fiscal note purposes.

Officials from the **Nodaway County Ambulance District** state installing these safety incubators at all fire, police stations and medical facilities would add a great deal of expense and

maintenance. While many fire departments and police stations are staffed 24 hours a day, that does not mean someone will always be at the station at all hours.

Additionally, not all smaller rural departments have backup power, making this climate-controlled incubator expensive unless it has battery powered backup. Because no funding is provided, and the demand is unknown, the expense does not justify adding hundreds of thousand dollars statewide to these already strapped entities.

Oversight notes that §210.950.13(2) states DHSS **may** promulgate all necessary rules and regulations for the administration of this section, including rules governing newborn safety incubators as defined under this section. Given the permissive language in this section, Oversight assumes the installation of safety incubators is optional, and will reflect a zero impact for police stations, fire stations, or medical facilities for this section for fiscal note purposes.

§211.032 - When a child comes under the court's jurisdiction due to allegations of child abuse or neglect

Officials from **CD** state this section provides that if a child comes under the court's jurisdiction due to allegations of child abuse or neglect and all children in the home are under 3 years of age, the court shall:

- (1) Conduct monthly hearings on the status of the case;
- (2) Support frequent visitation with the child's parents and with the concurrent permanency resource parent if it is in the best interest of the child; and
- (3) At the hearing on disposition and at each permanency hearing thereafter, enter an order requiring that the parties exercise active efforts to finalize a primary and concurrent permanency plan for each child.

CD states this section would have a fiscal impact for Children's Division. This would result in increased staff time in court and preparation for court. The fiscal justification is outlined below:

In FY20 there were 1,789 cases where all children in a home were under age 3. In current practice those cases would involve 5,367 incidents of court attendance for the first 90 days; 5,367 incidents of court attendance for the first year of the cases and 3,578 incidents of court attendance in the subsequent year. This would result in a cumulative total of 14,312 incidents of court attendance for the first two years of these cases.

With the proposed language in this section, based on FY20 numbers, this would now result in 5,367 court incidents in the first 90 days of the case, 16,101 incidents of court attendance in the first year of the case, and 21,468 incidents of court attendance in the subsequent year. This would result in a cumulative total of 42,936 incidents of court attendance for the first two years of these cases.

Based on calculations this would require 6 FTEs

Oversight notes CD requests 6 FTEs as follows:

4 Children's Service Workers at an annual salary of \$42,654 plus fringe benefits
1 Children's Service Worker Supervisor at an annual salary of \$55,584 plus fringe benefits
1 Administrative Support Assistant at an annual salary of \$31,238 plus fringe benefits

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

Officials from **DLS** state this legislation will have a fiscal impact on the DLS by requiring more frequent hearings for children under three years of age in foster care. DLS defers to CD to assess the additional fiscal impact borne by CD related to more frequent hearings. It is also important to note that additional hearings require additional court time from all parties and their counsel, including guardians ad litem, parent counsel, of which some costs may be paid by the Children's Division.

Oversight notes the Attorney's duties in this section have already been discussed and reflected in the FTE request under the DLS response for §210.160 and no additional FTE are being requested for this section. Therefore, Oversight will reflect a zero additional impact in the fiscal note for DLS for this section.

§211.183 - Juvenile court proceedings regarding the removal of a child

Officials from **CD** state current law provides that CD shall not be required to make reasonable efforts, as defined in this section, but has the discretion to make reasonable efforts if a court of competent jurisdiction has determined that:

- (1) The parent has subjected the child of the parent to a severe act or recurrent acts of physical, emotional or sexual abuse toward the child, including an act of incest; this bill adds "or another child."

CD assumes the proposal will 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 CD for this section.

§211.261 - Appeals allowed to certain people from any order modifying the placement of a child

Officials from **DLS** state this section provides, notwithstanding the provisions of subsection 1 of this section, an appeal shall be allowed to the:

- (2) Parent, guardian ad litem, or juvenile officer from any order changing or modifying the placement of a child.

This language possesses a potential impact to CD given an appeal of an order of placement would increase workload for the case manager to identify an alternative placement option, could potentially increase the length of time for a child in care due to placement disruption and could potentially increase the need for Division of Legal Services assistance. It is unknown currently how many cases have a court ordered placement.

Oversight does not have any information to the contrary. Therefore, Oversight assumes DLS will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the DLS for fiscal note purposes. Oversight also assumes DSS/DLS may seek additional appropriations if this section of the proposal results in a significant increase in costs.

§211.447 - The court may find that a young child has been abandoned if ...

Officials from **DLS** state they may experience a fiscal cost if Termination of Parental Responsibility cases are tried, won, and appealed using the 15 out of the most recent 22 months in foster care as the only grounds; the cost of appellate litigation is difficult to anticipate but would be costly for DLS and the AGO to defend.

Additionally, guardian ad litem expenses are outlined in regulation 13 CSR 40-30.020 and are capped at an hourly rate and a maximum amount. The costs are taxed to CD so it is reasonable to anticipate additional legal costs to guardians ad litem if they are now taking on some TPR cases previously handled by DLS, or taking on additional TPR cases and moving the cases more efficiently to permanency. While there may be an increase in legal expenses, the cost savings of finding permanency sooner may mean a fiscal cost or possibly a cost savings. Further estimations would be necessary to determine this.

Oversight does not have any information to the contrary. Therefore, Oversight assumes DLS will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the DLS for fiscal note purposes. Oversight also assumes DSS/DLS may seek additional appropriations if this section of the proposal results in a significant increase in costs.

§211.505 - “Safe Baby Court”

Officials from **CD** assume children who would be “recording and tracking movement on” are children who would already be involved in the Children’s Division system and existing structures are in place for those data requests. Therefore, there is no fiscal impact to CD.

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

§217.779 - Allows certain offenders to be eligible for community-based sentencing

Officials from the **Department of Corrections (DOC)** state HB 673 creates provisions allowing certain offenders to be eligible for community-based sentencing.

It is unknown how many offenders the courts will sentence to community-based supervision. The judges are already allowed to consider many factors when considering sentences. Also, DOC has no way to determine how many of the offenders meeting this criteria also meet the stipulation of being the primary caregiver of a child. Therefore, DOC is unable to determine a fiscal impact.

Oversight notes, in December 2019, the DOC reevaluated the calculation used for computing the Probation and Parole average daily cost of supervision and revised the cost calculation to be the DOC average district caseload across the state which is 51 offender cases per officer. The new calculation assumes that an increase/decrease of 51 cases would result in a change in costs/cost avoidance equal to the cost of one FTE staff person. Increases/decreases smaller than 51 offenders are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases. For instances where the proposed legislation affects a less specific caseload, DOC projects the impact based on prior year(s) actual data for DOC's 48 probation and parole districts.

The DOC cost of incarceration is \$21.251 per day or an annual cost of \$7,756 per offender. The DOC cost of probation or parole is determined by the number of P&P Officer II positions that would be needed to cover the new caseload.

Because DOC is unable to determine the number of offenders and the program structure of the community-based sentencing as outlined in this proposal, they are unable to estimate a cost or a savings. Therefore, **Oversight** will reflect the unknown fiscal impact provided by DOC for fiscal note purposes.

Officials from **CD** state §217.779 is a new section which pertains to community-based sentencing of probation. It provides an obligation for DSS to report annually to the general assembly the number of children entering foster care as the result of the revocation of a community-based primary care taker.

Oversight notes CD did not indicate a fiscal impact for this section and Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this section for CD.

Officials from the **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS** state updates to FACES would be required. This section has wording regarding a possible new placement type for FACES as a result of revocation of a community-based primary caretaker sentence. The changes required to add this placement type are listed in the OA, ITSD/DSS response for §208.151.

OA, ITSD/DSS assumes this is only a new placement type. If CD has further requirements, then more information will be needed by OA, ITSD/DSS before providing a new LOE for this requirement.

Oversight notes the estimated costs for updates to FACES as the result of this proposal were not broken down by section and the costs included in the estimate are total costs for §§208.151; 210.156 and 217.779. Total hours and costs are listed in the OA, ITSD/DSS response for §208.151.

Oversight further assumes OA, ITSD/DSS will be able to perform any additional duties required by this proposal with current staff and resources. Oversight also assumes OA, ITSD/DSS may seek additional appropriations if this section of the proposal results in a significant increase in costs. Therefore, Oversight will reflect the costs provided by OA, ITSD/DSS for fiscal note purposes for §§208.151; 210.156 and 217.779 only.

Officials from **OA, B&P** state this proposal allows courts to sentence guilty non-violent offenders who are primary caretakers of dependent persons to a community-based sentence rather than incarceration. B&P defers to DOC for any fiscal impact related to this provision.

Oversight notes OA, B&P's deferral to DOC for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for OA, B&P for this section.

§453.030 - Courts and adoption fees

Officials from **OA, B&P** state this proposal eliminates the requirement that adoptive parents or the relevant child placing agency bear the cost of attorney fees incurred during the adoption process by the birth parents. The bill does not make clear who or what entity will be responsible for compensating birth parents for the cost of attorney fees. This proposal will have no direct impact on Budget and Planning and will not impact the calculation pursuant to Art. X, Sec. 18(e).

B&P assumes that legal representation appointed by the court for birth parents during the adoption process will be provided pro bono. In the event these services are not provided pro bono, B&P assumes that the cost of legal fees will be borne by some other entity which could include the State of Missouri.

Oversight does not have any information to the contrary. Oversight notes B&P assumes legal representation for adoption cases will likely be provided pro bono, therefore, for fiscal note purposes, Oversight assumes no fiscal impact for B&P for this section.

Officials from **CD** assume the proposal will 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.

Responses regarding the proposed legislation as a whole

Officials from **Office of the State Courts Administrator (OSCA)** state there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the OSCA will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the OSCA for fiscal note purposes. Oversight also assumes OSCA may seek additional appropriations if the proposal results in a significant increase in costs.

Officials from the **Springfield R-XII School District** state there is an unknown fiscal impact to the District.

Because the type of impact; how the impact would be incurred and whether or not the impact would be positive or negative was not provided by the Springfield R-XII School District, **Oversight** will reflect a zero impact in the fiscal note for this agency.

Oversight notes the **Department of Elementary and Secondary Education, the Department of Higher Education and Workforce Development, the Department of Public Safety, Missouri Highway Patrol, the Governor's Office, the Missouri Department of Transportation, the Missouri House of Representatives, the Missouri Senate, the Missouri Office of Prosecution Services, the State Public Defender's Office, the State Tax Commission, the Cole Camp Ambulance District, the Columbia/Boone County Department of Public Health and Human Services, the Crawford County 911 Board, the Crestwood Police Department, the El Dorado Springs Police Department, the Hermann Area Hospital District, the High Point R-III School District, the Kansas City Police Department, the Kimberling City Police Department, the Newton County Health Department, the Rolla Rural Fire Protection District, the Sugar Creek Fire Department, the St. Louis County Health Department and the Tipton Police 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other counties, sheriffs, police departments, fire departments, ambulance districts, hospitals, local public health agencies and schools were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize 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 their office can sustain with their core budget. Therefore, 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.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE			
<u>Revenue Reduction</u> - (§§135.325; 135.326; 135.327; 135.335; 135.800 and 191.975) Increase in Adoption Tax Credit Participation p. 7	\$0	\$0 to (\$1,955,000)	\$0 to (\$1,955,000)
<u>Costs - OA, OCA</u> (§37.717) p. 3			
Personal service	(\$66,667)	(\$80,800)	(\$81,608)
Fringe benefits	(\$42,400)	(\$51,150)	(\$51,423)
Equipment and expense	(\$5,464)	\$0	\$0
<u>Total Costs - OA, OCA</u>	<u>(\$114,531)</u>	<u>(\$131,950)</u>	<u>(\$133,031)</u>
FTE Changes OA, OCA	2 FTE	2 FTE	2 FTE
<u>Costs - OA, ITSD/OCA</u> (§37.717) System programming changes p. 3	(\$4,104)	\$0	\$0
<u>Costs - DSS/MHD</u> (§208.151) Program distributions - former foster care youth pp. 11-13	(\$19,627,290 to \$56,013,956)	(\$24,877,240 to \$70,996,690)	(\$25,797,698 to \$73,623,568)
<u>Costs - OA, ITSD/DSS</u> (§208.151; 210.156 and 217.779) FACES system changes pp. 13,18 and 26-27	(\$90,134)	(\$18,478)	(\$18,940)
<u>Costs – DSS/DLS</u> (§§210.109; 210.119; 210.160; 210.188 and 211.032) pp. 15-16; 20-21; 24			
Personal service	(\$175,417)	(\$212,605)	(\$214,731)
Fringe benefits	(\$104,925)	(\$126,607)	(\$127,311)
Equipment and expense	(\$31,618)	(\$28,411)	(\$29,121)
<u>Total Costs - DSS</u>	<u>(\$311,960)</u>	<u>(\$367,623)</u>	<u>(\$371,163)</u>
FTE Changes DSS	4 FTE	4 FTE	4 FTE

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE (continued)			
<u>Costs - DHSS</u> (§210.157) pp. 18-19			
Personal service	(\$19,438)	(\$23,559)	(\$23,794)
Fringe benefits	(\$1,487)	(\$1,802)	(\$1,820)
Equipment and expense	(\$10,871)	(\$2,948)	(\$3,022)
<u>Total Costs - DHSS</u>	<u>(\$31,796)</u>	<u>(\$28,309)</u>	<u>(\$28,636)</u>
FTE Changes DHSS	0.5 FTE	0.5 FTE	0.5 FTE
<u>Costs - AGO</u> (§210.158) Additional court costs pp. 20-21	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Costs - DSS/CD</u> (§210.188) Contract with an institution for report to the Governor and General Assembly p. 21	(\$200,000)	(\$205,000)	(\$210,125)
<u>Costs – DSS/CD</u> (§211.032) p. 24			
Personal service	(\$214, 531)	(\$260,012)	(\$262,612)
Fringe benefits	(\$141,293)	(\$170,404)	(\$171,265)
Equipment and expense	(\$82,828)	(\$42,617)	(43,682)
<u>Total Costs – DSS</u>	<u>(\$438,652)</u>	<u>(\$473,033)</u>	<u>(\$477,559)</u>
FTE Changes DSS	6 FTE	6 FTE	6 FTE
<u>Costs and /or Savings - DOC</u> (§217.779) Community-based sentencing p. 26	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<u>Losses – DSS/CD</u> (§193.075) Potential loss of Social Security benefits to children in CD custody p. 9	\$0 to (\$6,253,335)	\$0 to (\$7,691,602)	\$0 to (\$7,883,892)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>Could be less than or exceed (\$20,818,467 to \$63,458,468)</u>	<u>Could be less than or exceed (\$26,101,633 to \$81,867,685)</u>	<u>Could be less than or exceed (\$27,037,152 to \$84,701,914)</u>
Estimated Net FTE Change on the General Revenue Fund	12.5 FTE	12.5 FTE	12.5 FTE

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
FEDERAL FUNDS			
<u>Income</u> - DSS/MHD (§208.151) Reimbursement for program distributions – former foster care youth pp. 11-13	\$0 to \$36,386,666	\$0 to \$46,119,450	\$0 to \$47,825,869
<u>Income</u> - OA, ITSD (§208.151; 210.156 and 217.779) Reimbursement for FACES system changes pp. 13,18 and 26-27	\$90,134	\$18,478	\$18,940
<u>Costs</u> - DSS/MHD (§208.151) Program distributions – former foster care youth pp. 11-13	\$0 to (\$36,386,666)	\$0 to (\$46,119,450)	\$0 to (\$47,825,869)
<u>Costs</u> - OA, ITSD/DSS (§208.151; 210.156 and 217.779) FACES system changes pp. 13,18 and 26-27	(\$90,134)	(\$18,478)	(\$18,940)
<u>Losses</u> – DSS/CD (§191.737) Potential loss of federal funds due to non-compliance with CARA p. 9	\$0 to (\$1,393,031)	\$0 to (\$1,713,428)	\$0 to (1,756,264)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0 to</u> <u>(\$1,393,031)</u>	<u>\$0 to</u> <u>(\$1,713,428)</u>	<u>\$0 to</u> <u>(1,756,264)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This proposed legislation could positively impact any small business that provides the necessary funds to an employee to proceed with the adoption of a child in which, under current law, would not qualify for the Special Needs Adoption Tax Credit as the small business could utilize the tax credit to reduce or eliminate the small business's state tax liability (§§135.325; 135.326; 135.327; 135.335; 135.800 and 191.975).

FISCAL DESCRIPTION

This bill modifies many sections of current statute relating to child protection, foster care and adoption, and treatment of caretakers.

SAFETY REPORTING

This bill requires the Office of Child Advocate to create a safety reporting system for Department of Social Services employees to be able to report information regarding the safety of those served by the office and the safety of the employees (§37.717).

ADOPTION

The bill eliminates the "special needs" requirement in the Adoption Tax Credit and makes it available to any family in Missouri adopting any child after January 1, 2022. It also eliminates the requirement for adoptive parents to pay the legal fees of the birth parents. This bill lists the factors under which a court may find, for the purposes of authorizing the adoption of the child without the consent of the parent, that a child three years of age or older has been abandoned; including having left the child without any provision for parental support and without making arrangements to visit or communicate with the child for a period of 60 days. Under this bill the court must also consider whether an adoption is in the best interest of the child in the hearing to determine whether an adoption shall be finalized (§§135.325, 135.326, 135.327, and 135.335, 135.800, 191.975 and 453.030, 453.040, and 453.080).

SCHOOL REPORTING POLICIES

The bill repeals language related to the Children's Division's jurisdiction over or ability to investigate reports of alleged child abuse by personnel of a school district, a teacher, or other school employee. It also repeals language related to how a school and school district are to handle reports of alleged child abuse (§160.261).

PHYSICIAN-PATIENT PRIVILEGE

This bill specifies that a physician or health care provider shall not be required to make a referral to the Children's Division if an infant is born to a woman who is undergoing medication-assisted treatment under the supervision of a health care provider (§191.737).

MO HEALTHNET

Under this bill, any person who was in foster care for at least 6 months at any time after such person was 13 years old, regardless of the state, and who is now residing in Missouri, and is at least 18 years old is eligible for MO HealthNet benefits if such person is not eligible for insurance coverage under another mandatory coverage group and does not have access to any other private insurance will have access to the benefits (§208.151).

CHILD PROTECTION SYSTEM GOALS AND PRIORITIES

These sections refine the goals and priorities of the Department of Social Services (§§210.001 and 210.109).

CHILD PROTECTION REPORTING AND CASE MANAGEMENT

This bill clarifies that the reports of child abuse or neglect should include the following information, if possible: (1) The names and addresses of the child and his or her parents or persons responsible for his or her care; (2) The child's age, sex, and race; (3) The nature and extent of the child's injuries, abuse, or neglect, including any evidence of previous injuries, abuse, or neglect to the child or his or her siblings; (4) The name, age, and address of the person responsible for the injuries, abuse, or neglect and the family composition; (5) Specified information regarding the person making the report; and (6) The actions taken by the reporting source. The bill also specifies that the state attorney general shall have concurrent original jurisdiction regarding any case involving child abuse or neglect (§§210.110, 210.113, 210.145, and 210.1589).

CENTRAL REGISTRY

This section revises the list of offenses for which a person will be listed as a perpetrator of child abuse or neglect in the Central Registry (§210.118).

COMPREHENSIVE CHILD WELFARE INFORMATION SYSTEM

This section requires the Department of Social Services to create a Comprehensive Child Welfare Information System that will serve as the statewide information system for documenting and reporting child welfare information. The bill specifies how the system will function and who will have access (§210.119).

VITAL STATISTICS

This bill adds the State Registrar of Vital Statistics to those authorized to view investigation records contained in the central registry. The information made available shall be limited to identifying information only for the purposes of providing birth record information under §210.156. The bill also states that the Division shall make available to the Registrar the identifying information of specified individuals of whom the Division has knowledge. Once the Division has verified that the parent of the child is the same individual whose identifying information was provided, the Division shall initiate contact with the family to determine if there is a need for services (§§193.075, 210.150, and 210.156).

BIRTH MATCH PROGRAM

Creates a data sharing system between the Department of Social Services (DSS), the courts, and the Department of Health and Senior Services (DHSS) to compare birth reports with reports of parents who have been convicted of certain crimes or have a termination of parental rights (§210.157).

GUARDIANS AD LITEM

The bill provides that a guardian ad litem may conduct well-child checks in emergency situations under a court order (§210.160).

REPORTING REQUIREMENTS OF DEPARTMENT

Modifies the reporting requirements that the Department of Social Services provides to the Governor and General Assembly regarding information related to children who have been abused or neglected (§210.188).

ELECTRONIC SHARING

Requires the Department in conjunction with the Office of Administration to implement a computerized method to allow for the electronic exchange of data and documents required by the Interstate Compact on the Placement of Children to place children across state lines (§210.652).

CHILD ABANDONMENT

This bill adds a newborn safety incubator, as defined in the bill, as a place a parent of a child up to 45 days old may voluntarily deliver the child with the intent not to return, without being prosecuted. It also lowers the time limit to be considered willful abandonment of a child to 60 days for a child under the age of three (§§210.950 and 211.447).

COURT PRACTICES

The bill updates crimes to be considered when placing or removing children from homes, the role of the guardian ad litem, conditions required for abandonment of an infant or young child, and when the court shall consider filing a petition for termination of parental rights. The bill requires the Office of the State Courts Administrator to develop a plan to be approved by the Joint Committee on Child Abuse and Neglect by July 1, 2022, for implementation by July 1, 2023. The bill further clarifies under what circumstances such a juvenile shall be held at a juvenile detention facility or be moved to a jail or other adult detention facility. Beginning December 21, 2021, all previously certified pretrial juveniles under 18 must be transferred from any jail or other adult detention facility to a juvenile detention facility unless a hearing is held and the court finds that it would be in the best interest of justice to keep the juvenile in the jail or other adult detention facility (§§211.032, 211.038, 211.072, 211.183, 211.261, 211.444, 211.447).

SAFE BABY COURT

This section requires safe baby courts be implemented in every court of this state within 2 years of the effective date of the bill (§211.505).

COMMUNITY-BASED SENTENCING

Requires courts to consider alternatives to incarceration for convictions of non-violent offenses for primary caretakers of dependent persons. Prior to sentencing, either party, or the court on its own motion, may request that the court determine whether an offender is eligible for a community-based sentence (§217.779).

CHILD PASSENGER RESTRAINT SYSTEM

This section requires children under the age of one and under 20 pounds to be secured in a rear-facing passenger restraint system, if the restraint system has a higher weight limit it is recommended the child remain rear-facing until the child reaches such weight limit (§307.179).

§210.950 of this bill has an emergency clause.

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

SOURCES OF INFORMATION

Attorney General's Office
Department of Commerce and Insurance
Department of Corrections
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Higher Education and Workforce Development

Department of Mental Health
Department of Public Safety - Missouri Highway Patrol
Department of Revenue
Department of Social Services
Governor's Office
Joint Committee on Administrative Rules
Missouri Department of Transportation
Missouri House of Representatives
Missouri Office of Prosecution Services
Missouri Senate
Office of Administration
Office of Secretary of State
Office of State Courts Administrator
State Public Defender's Office
State Tax Commission
Cole Camp Ambulance District
Columbia/Boone County Department of Public Health and Human Services
Crawford County 911 Board
Crestwood Police Department
El Dorado Springs Police Department
Hermann Area Hospital District
High Point R-III School District
Kansas City Police Department
Kimberling City Police Department
Newton County Health Department
Nodaway County Ambulance District
Rolla Rural Fire Protection District
Springfield R-XII School District
Sugar Creek Fire Department
St. Louis County Health Department
Tipton Police Department



Julie Morff
Director
February 23, 2021



Ross Strobe
Assistant Director
February 23, 2021