

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION
FISCAL NOTE

L.R. No.: 0499-06
Bill No.: HCS No. 2 for HB 586
Subject: Abortion; Appropriations; Children and Minors
Type: Original
Date: April 15, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS
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FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator**, the **Department of Social Services**, the **Office of Prosecution Services**, the **Coordinating Board of Higher Education**, and the **State Public Defender** assume this proposal would not fiscally impact their agencies.

Officials from the **State Auditor's Office (SAO)** state in order for the SAO to perform the audits required by this proposed legislation (once every three years), it would require an additional .5 FTE to perform one third of the audits each year.

Oversight assumes audits required by this proposal could be absorbed by the SAO.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal could be absorbed with existing resources.

Officials from the **Department of Health and Senior Services (DOH)** assume the fiscal impact to the DOH would be greater than \$100,000. The DOH states Subsection 2, subdivision 6 of this legislation requires that an independent audit of any entity that receives public funds in connection with any health and social service program be conducted at least once every three

ASSUMPTION (continued)

years or sooner. Currently the Division of Community Health has 1,491 contracts. The cost to reimburse contractors for each independent audit would be \$2,300 (based on current audits conducted for Child & Adult Care Food program). If one third of these contracts are audited each year, the reimbursement cost would be \$1,143,100 (1,491 x \$2,300 x 1/3 = \$1,143,100).

In a similar fiscal note from the previous year (HB 1000, L.R. 2968-02) the DOH assumed it would select the option to approve the independent auditing firm with the contractor being responsible for the cost of the independent audit, as provided for in said subsection.

Oversight assumes the DOH would pass the audit cost to the contractor and have no fiscal impact.

Officials from the **University of Missouri (UM)** assume this proposal would result in a potential financial impact for the costs of the record keeping and audit expenses related to this legislation. UM states the amounts related to these requirements are not readily identifiable and it is doubtful they will exceed \$100,000 annually.

Oversight assumes the UM can absorb related costs.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal prohibits the expenditure of public funds to existing or proposed health and social

DESCRIPTION (continued)

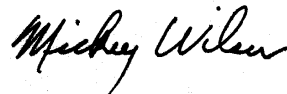
services programs that directly or indirectly subsidize abortion services. An entity that is affiliated with another entity that provides abortion services may only receive public funds if the affiliated entity is an independent affiliate. Entities that provide counseling to pregnant women and receive public funds may only provide non-directive pregnancy counseling.

Entities that receive public funds are required to maintain records that demonstrate strict compliance with this section. An independent audit of these entities must be conducted at least once every three years. If the recipient of public funds is affiliated with an entity that provides abortion services, an audit must be conducted each year to ensure compliance. The proposal includes exceptions for reimbursement to entities that provide services that are required under federal Medicaid regulations and certain services required under the federal Public Health Services Act.

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 Health and Senior Services
Department of Social Services
State Auditor's Office
Office of State Courts Administrator
Attorney General Office
Office of Prosecution Services
Coordinating Board of Higher Education
University of Missouri
State Public Defender



Mickey Wilson, CPA
Director

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