

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2227-01
Bill No.: HB 970
Subject: Children and Minors; Social Services Department
Type: Original
Date: April 18, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	Greater than \$100,000	Greater than \$100,000	Greater than \$100,000
Total Estimated Net Effect on General Revenue Fund	Greater than \$100,000	Greater than \$100,000	Greater than \$100,000

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			
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 **Department of Mental Health** and the **Department of Health and Senior Services** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Social Services - Children's Division (CD)** state this proposal imposes a means test upon the adoption subsidy program in that household income could not exceed 300% of the federal poverty level. However, if the child is considered special needs or if the child is IV-E eligible, the means test is not applicable. CD would be required to define special needs by promulgation of rules, and this definition is to comply with all applicable federal and state laws.

Currently, approximately 43% of children receiving adoption subsidy are not IV-E eligible. Per the Children's Division's (CD) current definition of special needs (13 CSR 40-38.020), a small percent (less than 7%) of children currently in the adoption subsidy program may not be considered special needs and therefore may be subject to the means test. The CD also assumes that of these children, only 22% would be adopted by families above 300% of poverty level. Due to the many factors involved, the CD is unable to exactly project the savings from the means test. However, if even 30 children no longer received a subsidy due to the means test, the savings would exceed \$100,000. Therefore, the CD is projecting a savings impact of unknown but

ASSUMPTION (continued)

greater than \$100,000.

Subsidized child care shall continue until the child reaches the age of thirteen. This is current CD policy for adoption subsidy children. There is no additional cost associated with this provision's inclusion in the proposal.

Officials from the **Office of the Secretary of State (SOS)** state this proposal modifies the requirements for the adoption subsidy. SOS states this proposal will result in the Department of Social Services promulgating rules to implement this legislation. These rules will be published in the Missouri Register and the Code of State Regulations. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Social Services could require as many as 8 pages in the Code of State Regulations. For any given rule, roughly one-half again as many pages are published in the Missouri Register as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the Missouri Register is \$23.00. The estimated cost of a page in the Code of State Regulations is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$492 in FY 06.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of Attorney General (AGO)** state that this provision imposes a means test to determine eligibility for the adoption subsidy in some cases (Section 453.073.4). AGO assumes because it represents the Department of Social Services in defending agency decisions, AGO may need additional attorneys and support staff based on the number of appeals that might result. AGO assumes that it would need 3 AAG I per 500 appeals, and one support staff per AAG to assist in the appeals process, based on current practices in handling similar appeals.

Oversight assumes costs would be less than \$100,000. If additional resources are needed, **Oversight** assumes the AGO would request additional resources through the budget process.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE			
<u>Savings</u> - Department of Social Services - Children's Division			
Program savings	Greater than \$100,000	Greater than \$100,000	Greater than \$100,000
<u>Costs</u> - Office of Attorney General			
Additional staff costs	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>Greater than \$100,000</u>	<u>Greater than \$100,000</u>	<u>Greater than \$100,000</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 proposals provides that adoption subsidy shall only be granted to children who reside in a household with an income that does not exceed three hundred percent of the federal poverty level unless the child is special needs or to children eligible for Title IV-E adoption assistance.

All children, regardless of income, are eligible for Medicaid until the child is eighteen.

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 Social Services
Department of Health and Senior Services
Department of Mental Health
Office of Attorney General
Secretary of State

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 18, 2005