

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6090-01
Bill No.: Perfected HB 2238
Subject: Office of Administration; Department of Social Services; Public Assistance;
Children and Minors
Type: Original
Date: February 28, 2018

Bill Summary: This proposal establishes the Social Innovation Grant Program to find alternative solutions for serving the state's vulnerable populations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue Fund	(\$106,945)	(Unknown, greater than \$123,884)	(Unknown, greater than \$125,262)
Total Estimated Net Effect on General Revenue	(\$106,945)	(Unknown, greater than \$123,884)	(Unknown, greater than \$125,262)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue Fund	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Commissioners Office (OA)** assume 1 FTE, an Executive Director (\$74,000/annually), would need to be hired to meet the obligations outlined in this proposal. The new FTE would need computer equipment, phones and network services. The office would also need a printer, copier, fax machine, etc. Rental space would also be required for the new FTE that would need to be hired to staff the new office.

Since the dollar amount and the number of grants to be awarded to nonprofit organizations are unknown, for fiscal note purposes, **Oversight** will reflect a negative unknown fiscal impact to the General Revenue Fund for FY 2020 and FY 2021.

Officials from the **Office of the Governor** assumed section 37.940 establishes the "Social Innovation Grant Program" to which the Governor shall appoint an executive director to oversee the program. Any costs associated with the Executive Director will be addressed in the OA's fiscal note response. There should be no added cost to the Governor's Office as a result of this measure. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be the need for additional staff resources in future years.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS 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 the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we 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 our office can sustain with our core budget. Therefore, we reserve 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.

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.

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

ASSUMPTION (continued)

Officials from the **Office of Administration - Information Technology Services Division**, the **Department of Social Services**, the **Missouri House of Representatives**, the **Missouri Senate**, the **Office of the Lieutenant Governor**, the **Department of Health and Senior Services** and the **Department of Corrections** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the social innovation grants would have positive benefits to the targeted citizens of the state and perhaps to programs supported by Missouri state government expenditures (TANF, incarceration, Mo HealthNet, other Social Services programs, etc.); however, Oversight considers these to be indirect benefits and will not reflect them in the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Cost - OA</u>			
Personal Service	(\$61,667)	(\$74,740)	(\$75,487)
Fringe Benefits	(\$26,954)	(\$32,566)	(\$32,788)
Equipment and Expense	(\$18,324)	(\$16,578)	(\$16,987)
Social Innovation Grants	\$0	(Unknown)	(Unknown)
<u>Total Cost - OA</u>	<u>(\$106,945)</u>	<u>(Unknown, greater than \$123,884)</u>	<u>(Unknown, greater than \$125,262)</u>
FTE Change - OA	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$106,945)</u>	<u>(Unknown, greater than \$123,884)</u>	<u>(Unknown, greater than \$125,262)</u>
Estimated Net FTE Change on the General Revenue Fund	1 FTE	1 FTE	1 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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.

FISCAL DESCRIPTION

This bill creates the “Social Innovation Grant Program” within the Office of Administration and requires the Governor to designate an individual to serve as the executive director of the program. The bill permits the Office of Administration or the General Assembly to identify additional critical state concerns that could potentially be addressed through the social innovation grant program and includes families in generational child welfare; recidivism among offenders with drug addictions; opioid-addicted pregnant women; and children in residential treatment with behavioral issues as critical state concerns.

For any critical state concern for which a social innovation grant is being utilized, the executive director is required to establish a “Social Innovation Grant Team” to be comprised of specified subject matter experts. Such teams are tasked with:

- (1) Formulating a request for proposals for social innovation grants;
- (2) Evaluating responsive proposals and selecting those bids for demonstration projects that provide the greatest opportunity for addressing the critical state concern in a cost-effective and replicable way; and
- (3) Monitoring demonstration projects and evaluating them based on the objectives outlined in the request for proposals; the program’s outline; the project’s impact on the critical state concern; and the project’s ability to be replicated on a cost-effective basis.

The bill requires demonstration projects to be operated over a period of time sufficient to impact the population served by the project based on the parameters and objectives outlined in the request for proposals. Grantees, at a minimum, must be nonprofit organizations with experience working with the population identified as a critical state concern. Upon the conclusion of a demonstration project, the social innovation grant team is required to compile all relevant data and submit a report to the General Assembly.

The bill requires the social innovation grant team to identify methods to fund the social innovation grant program, including state partnerships with nonprofit organizations and foundations, and the executive director of the social innovation grant program must identify sustainability models for deploying successful demonstration projects.

FISCAL DESCRIPTION (continued)

The bill will sunset six years after the effective date.

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

Office of Administration
Department of Social Services
Department of Health and Senior Services
Office of the Governor
Office of the Lieutenant Governor
Office of the Secretary of State
Joint Committee on Administrative Rules
Missouri Senate
Missouri House of Representatives
Department of Corrections

Ross Strobe



Acting Director
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