

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0081H.01I  
Bill No.: HB 477  
Subject: Children and Minors; Family Law  
Type: Original  
Date: January 31, 2023

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Bill Summary: This proposal provides that a parent shall not be ordered by the court to pay support for a child enrolled in an institution of vocational or higher education.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue	(\$15,186)	(\$679)	(\$696)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$15,186)</b>	<b>(\$679)</b>	<b>(\$696)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
Federal Funds*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Income and expenses estimated at \$29,000 in FY 24, then \$1,300 annually and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §452.340 – Child support for a child enrolled in an institution of vocational or higher education

Officials from the **Department of Social Services (DSS)** state proposed §452.340 provides that the child support obligation ends when a child reaches age 18 or, if still attending secondary school at age 18, when the child completes secondary school or reaches age twenty-one, whichever first occurs, unless the court extends the obligation because the child is physically or mentally incapacitated.

Proposed subsection 452.340.6 states that if a child enrolls in an institution of vocational or higher education, the court shall not order one parent to pay for any expenses related to that child attending the institution of vocational or higher education.

Officials from **DSS, Family Support Division (FSD), Child Support (CS)** state this change would reduce the number of children over the age of 18 for whom the division provides services to collect current support. This may result in a reduction in cases. However, past-due support will still be due on seventy-one percent of these cases and some cases will have additional children on the case for which current support remains due. Therefore, very little impact on the number of cases actually closed is expected.

There are currently 33,997 children between the ages of 18 and 21 on IV-D cases who potentially meet requirements for continued current support under the current law on or after August 28, 2023 (per count completed in the Missouri Automated Child Support System of individuals whose date of birth is between 08/29/2002 and 08/28/2005). This proposed legislation would end the current child support obligation for these 33,997 children. The division anticipates providing the person eligible to receive support with notice that his/her current support for these children will end, resulting in postage costs of \$17,678 ( $33,997 * \$0.52 = \$17,678.44$ , rounded down). This is calculated at a 34% GR; 66% Federal split. FSD's portion will be \$6,011 [ $\$17,678 * 0.34$  (state share) = \$6,010.52, rounded up]. This is a one-time expense, to catch the population between 18 and 21. FSD currently sends a notice 90 days prior to a child's 18th birthday, so there would be no additional cost related to children turning 18 after August 28, 2023.

For a child who receives a high school diploma or certificate of graduation prior to 90 days before his/her 18th birthday, FSD expects the person eligible to receive support and/or the person responsible for paying support to inform FSD that the child no longer meets criteria for current support to continue. Pursuant to §452.370, "The parent entitled to receive child support shall have the duty to notify the parent obligated to pay support of the child's emancipation and failing to do so, the parent entitled to receive child support shall be liable to the parent obligated to pay support for child support paid following emancipation of a minor child, plus interest." FSD does

not expect any costs related to a child who receives a high school diploma or certificate of graduation prior to 90 days before his/her 18th birthday.

Proposed §452.340 would require the division to change its procedures and forms used to determine if a child meets requirements for continued support. These changes can be accomplished with existing staff.

FSD considered whether or not there would be an impact to collections and federal incentives due to the number of children who would no longer meet requirements for current support to continue and determined there would be very little impact based on the federal OCSE–157 measure for current support collections.

The federal OCSE–157 report measure for current support collections is: Amount Collected for Current Support in IV–D cases divided by Amount Owed for Current Support in IV–D Cases. Based on the language of this proposed bill current support will no longer be due for these children and; therefore, FSD would not be collecting current support. The numerator and denominator for the calculation would both decrease, which means the Department would end up with the same percentage of collections. Federal Incentives for child support are based on the percentage collected and should not change.

The Child Support Enforcement (CSEC) fund would not be impacted because it is based on children in households receiving TANF or in foster care. Currently, children over 18 are not eligible to receive TANF benefits as part of another person's household; therefore, current support would not be assigned to the state for children over age 18.

Under this proposed legislation, the court will no longer enter orders that include judgments for vocational or higher education expenses. However, the FSD/CS program will continue to enforce existing judgments for a specific amount that are currently in place for vocational or higher education expenses.

FSD/CS defers to Office of Administration (OA), Information Technology Services Division (ITSD)/DSS for any systems cost associated with this legislation.

The fiscal impact to FSD/CS is the one-time mailing cost of \$6,011 (state share of total one-time mailing cost of \$17,678 for notice of termination of child support) as a result of this legislation.

**Oversight** does not have information to the contrary. Oversight notes FSD/CS's deferral to OA-ITSD/DSS for a statement of fiscal impact regarding systems changes. Oversight will reflect the estimates as provided by the FSD/CS for mailing costs.

Officials from the **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS** state updates to the Missouri Automated Child Support System (MACSS) and the WEB Forms application would be required.

OA, ITSD, DSS states MACSS updates would include:

- System recognition of the emancipation age of all dependents as age 18 unless they were finishing high school.
- Changes to emancipation forms within MACSS
- Changes to the MACSS Termination of Support (TOS) program and any corresponding reports
- Changes to the case closure programs

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 MACSS are estimated at \$95/hour. It is assumed the above modifications will require 181.45 hours for a cost of \$17,238 ( $181.45 * \$95$ ) in FY 2024; split 34% GR; 66% Federal.

OA, ITSD, DSS states WEB forms updates would be minimal as this would only entail revisions to the current forms. IT contract rates for WEB forms are estimated at \$95/hour. It is assumed the modifications will require 102.6 hours for a cost of \$9,747 ( $102.6 * \$95$ ) in FY 2024. Ongoing costs are estimated at \$1,998 in FY 2025 and \$2,048 in FY 2026; split 34% GR; 66% Federal.

Therefore, the total MACSS and WEB forms upgrades will cost \$26,984 (\$9,175 GR; \$17,809 Federal). Ongoing costs are estimated at \$1,998 (\$679 GR; \$1,319 Federal) in FY 2025 and \$2,048 (\$696 GR; \$1,352 Federal) in FY 2026.

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

Responses regarding the proposed legislation as a whole

Officials from the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development** and the **Office of the State Courts Administrator** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>GENERAL REVENUE</b>			
<u>Costs</u> - DSS/FSD/CS (§452.340) One time mailing costs p. 4	(\$6,011)	\$0	\$0
<u>Costs</u> - OA, ITSD/DSS (§452.340) pp. 5-6			
MACSS system changes	(\$5,861)	\$0	\$0
WEB forms changes	(\$3,314)	(\$679)	(\$696)
Total <u>Costs</u> – OA, ITSD/DSS	(\$9,175)	(\$679)	(\$696)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$15,186)</u></b>	<b><u>(\$679)</u></b>	<b><u>(\$696)</u></b>
<b>FEDERAL FUNDS</b>			
<u>Income</u> - DSS/FSD/CS (§452.340) Reimbursement for mailing costs p. 4	\$11,667	\$0	\$0
<u>Income</u> - OA, ITSD/DSS (§452.340) Reimbursement for MACSS and WEB forms changes pp. 5-6	\$17,809	\$1,319	\$1,352
<u>Costs</u> - DSS/FSD/CS (§452.340) One time mailing costs p. 4	(\$11,667)	\$0	\$0
<u>Costs</u> - OA, ITSD/DSS (§452.340) pp. 5-6			
MACSS system changes	(\$11,376)	\$0	\$0
WEB forms changes	(\$6,433)	(\$1,319)	(\$1,352)
Total <u>Costs</u> – OA, ITSD/DSS	<b><u>(\$17,809)</u></b>	<b><u>(\$1,319)</u></b>	<b><u>(\$1,352)</u></b>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill prohibits the court from ordering a parent to pay any expenses related to his or her child attending an institution of vocational or higher education. This bill also repeals the current provision that would hold off terminating child support if a child was attending an institution of vocational or higher education (§452.340).

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

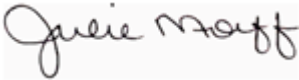
SOURCES OF INFORMATION

Department of Higher Education and Workforce Development

Department of Elementary and Secondary Education

Department of Social Services

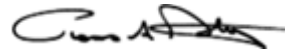
Office of the State Courts Administrator



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January 31, 2023



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January 31, 2023