

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3851H.011
 Bill No.: HB 1838
 Subject: Civil Procedure; Courts
 Type: Original
 Date: January 23, 2024

Bill Summary: This proposal repeals the expiration date of funding of Basic Civil Legal Services for certain persons.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Basic Civil Legal Services Fund*	\$0	\$346,217	\$692,434
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$346,217	\$692,434

*Oversight notes the Basic Civil Legal Services Fund provisions in §477.650 are currently set to expire December 31, 2025 (FY 2026). Oversight has reflected the average fee collection into the fund and the average expenditures out of the fund (a net positive). Oversight notes this is a continuation of current fund activity.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Basic Civil Legal Services Fund*	0 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	0 FTE	2 FTE	2 FTE

*Oversight notes the Office of the State Courts Administrator notes the Basic Civil Legal Services Fund currently funds two (2) FTE. Oversight assumes the proposal (removing the expiration date) **continues** to fund the two OSCA employees.

- 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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§477.650 – Basic Civil Legal Services Fund

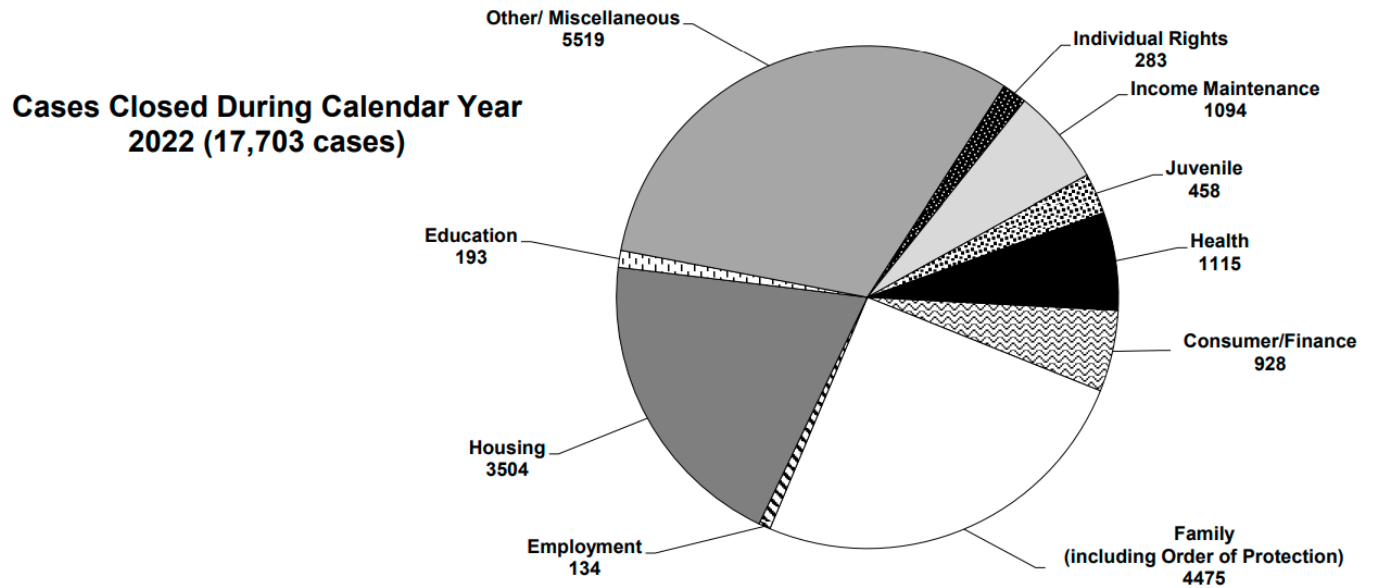
Officials from the **Office of the State Courts Administrator (OSCA)** assume this proposal would repeal the expiration date of the Basic Civil Legal Services Fund. The Basic Civil Legal Services Fund annual appropriations are approximately \$5.1 million and 2 FTE.

Oversight notes the Basic Civil Legal Services Fund (BCLS) is a statutorily created fund (SB 447 in 2003) and was created to fund the work of Missouri's four Legal Aid programs, which provide access to the civil justice system to low-income Missourians (who live at or below 125% of the Federal Poverty Level) to protect their fundamental legal rights. The fund is set to expire December 31, 2025.

One of the focuses of the Legal Aid programs is to ensure that adults and children have access to medical care through the MoHealthNet system.

Legal Aid staff bring cases to obtain access to medical care for their clients. There are four regional Legal Aid offices: Kansas City, St. Louis, Columbia and Springfield. In FY22, over \$125 million from punitive damages awarded in talc litigation in Missouri was transferred from the Tort Victims Compensation Fund into the BCLS. This represents the largest single payment into the BCLS, and this funding was paid to legal service organizations.

Below is a chart of the number of cases closed during CY 2022 representing the BCLS Fund:



The fund has a court filing fee on certain civil and criminal actions of \$20 in the Missouri Supreme Court and Court of Appeals, \$10 in the circuit courts and \$8 in the associate circuit courts. The fund has received the following receipts during FY 2019 to FY 2023:

Basic Civil Legal Services Fund (0757)	
	<u>Receipts</u>
FY 19	\$ 4,417,206
FY 20	\$ 4,290,667
FY 21	\$ 3,868,347
FY 22	\$ 3,865,619
FY 23	\$ 4,047,390
Total	\$ 20,489,229
5 year average	\$ 4,097,846
Source: State Treasurer Fund Activity Reports	

Below is a history of the expended funds for the last 5 years:

Basic Civil Legal Services Fund (0757)			
	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Unexpended Funds</u>
FY 20	\$ 5,099,958	\$ 4,467,368	\$ 632,590
FY 21	\$ 7,701,418	\$ 7,559,124	\$ 142,294
FY 22	\$ 5,102,383	\$ 2,813,393	\$ 2,288,990
FY 23	\$ 5,108,764	\$ 3,997,430	\$ 1,111,334
FY 24	\$ 5,117,803	N/A	N/A
Last 3 yr avg.	\$ 5,109,650	\$ 3,405,412	\$ 1,700,162

Source: OSCA Budget Requests Books

Oversight notes this proposal removes the expiration date of these provisions. If the proposal is extended, Oversight assumes revenue and expenditure activity will continue for the fund. Since the fund does not expire until December 31, 2025, Oversight assumes only half of the average receipts and expenditures would be shown for FY26. Therefore, Oversight will use the average amounts from the table above to reflect the fiscal impact.

The appropriations for the BCLS Fund includes 2 FTEs according to OSCA. **Oversight** assumes should this proposal be extended, the 2 FTEs will also continue to be funded through the BCLS Fund.

Officials from the **Attorney General’s Office**, the **Missouri Office of Prosecution Services** and the **Office of the State Public Defender** 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 notes the balance of the BCLS (0757) at December 31, 2023 was \$510,360.

<u>FISCAL IMPACT – State Government</u>	FY 2025	FY 2026 (6 Mo.)	FY 2027
BASIC CIVIL LEGAL SERVICES FUND (0757)			
<u>Revenue</u> – OSCA – continuation of receipts received from \$8 court fee (\$477.650)	\$0	\$2,048,923	\$4,097,846
<u>Cost</u> – OSCA – continuation of expenditures (\$477.650)	\$0	(\$1,702,706)	(\$3,405,412)
ESTIMATED NET EFFECT ON THE BASIC CIVIL LEGAL SERVICES FUND	\$0	\$346,217	\$692,434
Estimated Net FTE Change for the Basic Civil Legal Services Fund	0 FTE	2 FTE	2 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2025	FY 2026 (6 Mo.)	FY 2027
	\$0	\$0	\$0

FISCAL IMPACT – Small Business

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

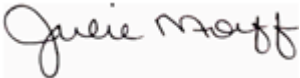
FISCAL DESCRIPTION

Currently, the "Basic Civil Legal Services Fund" is set to expire on December 31, 2025. This bill repeals that expiration date. It also corrects an incorrect reference to a provision in the Missouri Constitution.

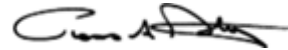
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Attorney General's Office
Missouri Office of Prosecution Services
Office of the State Public Defender



Julie Morff
Director
January 23, 2024



Ross Strobe
Assistant Director
January 23, 2024