

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3972H.01I  
 Bill No.: HB 2148  
 Subject: Children and Minors; Courts; Domestic Relations  
 Type: Original  
 Date: January 29, 2024

Bill Summary: This proposal specifies that a parent's obligation to pay child support terminates when the child turns 18 or graduates from high school with certain exceptions.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General	(\$21,294 to \$92,915)	\$0 to (\$71,621)	\$0 to (\$71,621)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$21,294 to \$92,915)</b>	<b>\$0 to (\$71,621)</b>	<b>\$0 to (\$71,621)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
<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 2025</b>	<b>FY 2026</b>	<b>FY 2027</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 \$41,000 in FY 2025 and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</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 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §§210.854, 452.340 and 454.470 – Termination of a parent's obligation to pay child support

Officials from the **Department of Social Services (DSS), Family Support Division (FSD)** state Proposed 452.340.3 provides that the child support obligation terminates when a child reaches age 18 or receives a high school diploma or equivalent certificate of graduation unless the child support order specifically extends the obligation because the child is physically or mentally incapacitated pursuant to 452.340.4.

Proposed 452.340.11 states that the child support obligation shall terminate without further judicial or administrative process when the child reaches age eighteen unless the court extends the obligation because the child is physically or mentally incapacitated.

The proposed language is unclear as to whether the child support obligation would continue after a child turns 18 and the child is still enrolled in high school. It appears the proposed legislation ends the child support obligation on a child's 18th birthday regardless of whether the child is enrolled in high school. Additionally, based on the language in the proposed bill, the child support obligation would end prior to age 18 if the child graduates high school or receives a certificate of graduation before the child's 18th birthday.

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 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 36,674 children between the ages of 18 and 21 on IV-D cases who will potentially meet requirements for continued current support under the current law on or after August 28, 2024 (per count completed in MACSS of individuals whose date of birth is between 08/29/2003 and 08/28/2006). This proposed legislation would end the child support obligation for these 36,674 children. The division anticipates providing the person eligible to receive support (PRS) with notice that his/her current support for these children will end, resulting in postage costs of \$21,125 ( $36,674 \times \$0.576 = \$21,124.22$  rounded up). This is calculated at a 34% General Revenue, 66% Federal Fund split. 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 18 birthday, so there would be no additional cost related to children turning 18 after August 28, 2024.

It is unknown how many children under the age of 18 will obtain a high school diploma or certificate of graduation. For a child who receives a high school diploma or certificate of graduation prior to 90 days before his/her 18th birthday (when FSD sends a notice), FSD expects

the PRS and/or parent responsible for paying support (PPS) to inform FSD that the child no longer meets criteria for current support to continue. Pursuant to section 452.370, RSMo: “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.

FSD considered the 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 minimal 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/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 division 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.

The fiscal impact to FSD CS program is \$21,125 (\$7,183 GR; \$13,942 FF) for postage costs to implement the provisions of 452.340.3 and 452.340.11.  
452.340.10

Proposed [452.340.10](#) provides that there shall be a rebuttable presumption in cases where the court awards joint physical custody where the child(ren) spend equal or substantially equal time with both parents that the child support calculations begin with a 50% credit for overnight visitation or custody below the basic child support amount authorized by the child support guidelines.

Missouri’s IV–D state plan is required to have in place child support guidelines in accordance with [45 CFR 302.56](#). Existing 452.340.8 grants the Missouri Supreme Court the specific rulemaking authority to establish child guidelines by which any award of child support is made in judicial and administrative proceedings.

[Supreme Court Rule 88.01](#) states that there is a rebuttable presumption that the amount of child support calculated pursuant to [Civil Procedure Form No. 14](#) is the correct amount of child

support to be awarded in any judicial or administrative proceeding. The directions for the Form 14 currently allow a 34% visitation credit for a parent who has 181-183 overnight visits with his/her child (i.e., 50/50 visitation) and up to a 50% credit if the court determines the 34% credit is unjust and inappropriate based upon the circumstances of the parties. A 50% visitation credit may result in a \$0 obligation.

[Supreme Court Rule 41.02](#) provides that all rules promulgated by the Supreme Court supersede all statutes and existing court rules that are inconsistent with the rules. If this bill becomes law and it is determined that the statute changes the court rule, the FSD CS program would see a fiscal impact under the changes to 452.340.10.

Under proposed 452.340.10, the Form 14 calculations would begin with a 50% credit in cases in which the courts awards equal or substantially equal parenting time. Pursuant to 452.375.2, there is a rebuttable presumption that an award of equal or approximately equal parenting time to each parent is in the best interests of the child. Giving obligors a 50% visitation credit when equal or substantially equal parenting time is awarded by the court may reduce the child support obligations in Missouri judicial orders.

Since support amounts are assigned to the state when a parent and child receive Temporary Assistance for Needy Families (TANF), and all new orders may be reduced by 50% visitation credit, the state's ability to recoup TANF payments will be reduced. The state retains approximately 34% of all assigned collections in the Child Support Enforcement (CSEC) Fund; a reduction in the ability to recoup TANF expenditures will reduce the amount of assigned collections deposited into the CSEC fund that help fund the Child Support program.

In state fiscal year (SFY) 2023, there were 2,998 new judicial support orders entered in the Missouri Automated Child Support System (MACSS). FSD's caseload for SFY 2023 was 284,718 cases of which 3,395 (or 1.2%) were TANF cases. Therefore, of the 2,998 new judicial orders entered in MACSS in SFY 2023, FSD assumes 1.2% or 36 were on TANF cases and the judicial current support obligations were assigned to the state. The total assigned support that accrued on those orders for SFY 2023 was \$210,651.

Assuming the number of TANF recipients remains static, FSD estimates the amount of support assigned to the state for the recoupment of TANF benefits could be reduced by up to \$210,651 per year which results in \$71,621 [ $\$210,651 * 34\%$  ([The Federal FMAP rate](#))] less that the state could potentially collect and retain as CSEC revenues.

**The impact on CSEC revenues will be a range of \$0 (no change in the obligation) up to \$71,621** (if a 50% visitation credit results in a \$0 obligation). This funding will need a general revenue pickup to keep the Child Support program at the same level.

The changes to 452.340 would require the division to change its procedures and forms used to determine if a child meets requirements for continued support and may require the division to

update form instructions for providing visitation credit. These changes can be accomplished with existing staff.

The FSD child support program defers to ITSD for the costs of the termination of support programming and form changes in the Missouri Automated Child Support System that would be necessary under this proposed legislation.

The total fiscal impact to FSD CS under this proposed legislation is a range from \$21,125 [(\$7,183 GR; \$13,942 Federal) for postage costs to implement the termination of support provisions] up to \$92,746 (for the up to \$71,621 reduced CSEC collections under the 50% visitation credit changes).

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DSS, FSD.

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

MACSS currently emancipates children at age 21 depending on the circumstances. This bill would require MACSS to emancipate at age 18. This would alter current child support collection after the age of 18 and change the collection trends in MACSS. It would also change how money is distributed across cases as many cases for the noncustodial parent would have money distributed differently based on 18 year emancipation (as current support would no longer be due).

The following system changes would need to be made:

- The Termination of Support program and subprograms will have to be altered in order to terminate a dependent on an order when they turn 18 instead of 21.
- A new cleanup program may have to be created to end the obligation for dependents on an order where their obligation was still active and they are already 18 years or older.
- Changes would have to be completed on several child support forms.

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 \$105/hour. It is assumed the necessary modifications will require 395.28 hours for a cost of \$41,504 (395.28 \* \$105), split 34% GR; 66% Federal.

Therefore, the total MACSS upgrades will cost \$41,504 (\$14,111 GR; \$27,393 Federal) in FY 25 exclusively.

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

Officials from the **University of Missouri System (UM)** state the proposed legislation could have a financial impact on the University of Missouri if applicants qualify for more awards/grants (Pell Promise, etc.) due to the tax dependency exemption. Since UM has no way of knowing how many current or future students this would impact, the impact amount cannot be determined.

**Oversight** assumes the impact described by the UM system would not be a direct fiscal impact.

Officials from the **Office of State Courts Administrator (OSCA)** state there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

**Oversight** does not have any information to the contrary. Therefore, Oversight assumes the OSCA will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the OSCA for fiscal note purposes. Oversight also assumes OSCA may seek additional appropriations if the proposal results in a significant increase in costs.

Officials from the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, **Northwest Missouri State University** and the **University Of Central Missouri** 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 2025 (10 Mo.)	FY 2026	FY 2027
<b>GENERAL REVENUE</b>			
<u>Costs – DSS, FSD (\$452.340)</u>			
Postage p. 4 & 6	(\$7,183)	\$0	\$0
Reduced CSEC Collections p. 4-6	\$0 to (\$71,621)	\$0 to (\$71,621)	\$0 to (\$71,621)
<b>Total Costs - DSS, FSD</b>	<b>\$0 to (\$78,804)</b>	<b>\$0 to (\$71,621)</b>	<b>\$0 to (\$71,621)</b>
<u>Costs – OA, ITSD/DSS (\$452.340)</u>			
MACSS updates p. 6	(\$14,111)	\$0	\$0
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$21,294 to \$92,915)</u></b>	<b><u>\$0 to (\$71,621)</u></b>	<b><u>\$0 to (\$71,621)</u></b>

<b>FEDERAL FUNDS</b>			
<u>Income</u> – DSS, FSD (§452.340) Postage reimbursement p. 4 & 6	\$13,942	\$0	\$0
<u>Income</u> – OA, ITSD/DSS (§452.340) Reimbursement for MACSS updates p. 6	\$27,393	\$0	\$0
<u>Costs</u> – DSS, FSD (§452.340) Postage p. 4 & 6	(\$13,942)	\$0	\$0
<u>Costs</u> – OA, ITSD/DSS (§452.340) MACSS updates p. 6	(\$27,393)	\$0	\$0
<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 2025 (10 Mo.)	FY 2026	FY 2027
	<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

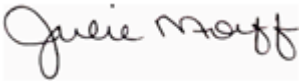
Currently, a parent's obligation to pay child support terminates when the child reaches 18 years of age unless the child is enrolled in and attending a secondary school program of instruction and other specified criteria are met, in which case the support obligation terminates when the child reaches 21 years of age. This bill specifies that a parent's obligation to pay child support terminates when a child reaches 18 years of age or receives a high school diploma or certificate of graduation, unless the child is physically or mentally incapacitated from supporting himself or herself and insolvent and unmarried. (§452.340)

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

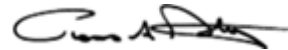


SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Department of Higher Education and Workforce Development  
Department of Social Services  
Office of the State Courts Administrator  
University of Missouri System  
Northwest Missouri State University  
University Of Central Missouri



Julie Morff  
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