

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5554H.01I
Bill No.: HB 2677
Subject: Children and Minors; Children's Division; Department of Social Services
Type: Original
Date: March 25, 2024

Bill Summary: This proposal establishes the "Office of State Oversight For Residential Care Facilities".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	(\$629,771)	(\$710,217)	(\$717,507)
Total Estimated Net Effect on General Revenue	(\$629,771)	(\$710,217)	(\$717,507)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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
General Revenue	5 FTE	5 FTE	5 FTE
Total Estimated Net Effect on FTE	5 FTE	5 FTE	5 FTE

☒ 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

\$210,499 - Office of State Oversight for Residential Care Facilities

Officials from the **Department of Social Services (DSS)** state as follows:

The DSS Director's Office will require one (1) Division Director (\$139,008 annual salary) and two (2) Senior Regulatory Auditors (\$67,274 annual salary each) to encompass the added duties related to this legislation.

The DSS Division of Legal Services (DLS) states this proposed legislation creates new administrative oversight for residential care facilities licensed by DSS or DHSS. This new admin oversight would be via a newly established Office of State Oversight for Residential Care Facilities within the Department of Social Services. There is an anticipated fiscal impact for the Division of Legal Services (DLS) in that the new Office of State Oversight for Residential Care Facilities would require promulgation of regulations and policy, as well as continued legal support as the Office carries out their responsibilities of conducting investigations, inspections and reviews, as well as publishing required summaries and other materials. This legislation increases the need for DLS services and would require one (1) additional special counsel (\$89,172 annual salary) and one (1) additional legal assistant (\$45,823 annual salary).

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

Officials from the **Office of the Governor** state this bill adds to the Governor's current load of appointment duties. Individually, additional requirements should not fiscally impact the Office of the Governor. However, the cumulative impact of additional appointment duties across all enacted legislation may require additional resources for the Office of the Governor.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the Office of the Governor 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 Office of the Governor for fiscal note purposes.

Officials from the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Public Safety – Division of Fire Safety**, the **Missouri Senate**, the **Office of Administration** and the **Newton County Health Department** 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 only reflects the responses received from state agencies and political subdivisions; however, other local public health agencies and fire protection districts were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE			
<u>Costs – DSS (\$210.499) p. 3</u>			
Personnel Service	(\$340,461)	(\$412,638)	(\$416,765)
Fringe Benefits	(\$194,541)	(\$235,033)	(\$236,633)
Expense & Equipment	(\$94,769)	(\$62,546)	(\$64,109)
<u>Total Costs - DSS</u>	<u>(\$629,771)</u>	<u>(\$710,217)</u>	<u>(\$717,507)</u>
FTE Change	5 FTE	5 FTE	5 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$629,771)</u>	<u>(\$710,217)</u>	<u>(\$717,507)</u>
Estimated Net FTE Change on General Revenue	5 FTE	5 FTE	5 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<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 establishes within the Department of Social Services the "Office of State Oversight for Residential Care Facilities" for the purposes of assessing facility compliance with laws, rules, and regulations of the Federal and State governments. The Office is administered by a director, appointed by the Governor, who serves a term of six years and who can not be related to current

or former employee or contractor of a residential care facility or of the Children's Division within the Department, as specified in the bill.

This bill also specifies provisions for what information is required to be included in inspection reports for all residential care facilities. The Office is also required to review procedures of the Children's Division to determine if such procedures are adequate as they relate to complaints made by or on behalf of a child. For this review process, the bill establishes parameters for the authority granted to the Office. Upon completion of such a review, the Office is required to submit and make public a report, which must also be delivered to the Governor, the Attorney General, and both houses of the General Assembly. (§210.499)

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

SOURCES OF INFORMATION

Department of Elementary and Secondary Education

Department of Health and Senior Services

Department of Mental Health

Department of Public Safety, Division of Fire Safety

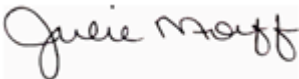
Department of Social Services

Missouri Senate

Office of the Governor

Office of Administration

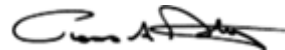
Newton County Health Department



Julie Morff

Director

March 25, 2024



Ross Strobe

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March 25, 2024