

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2170H.03C
Bill No.: HCS for HB 916
Subject: Department of Corrections; Prisons and Jails; Public Assistance
Type: Original
Date: February 26, 2025

Bill Summary: This proposal establishes certain protections for vulnerable persons.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2029)
General Revenue*	(Unknown, Could exceed \$313,888)	(Unknown)	(Unknown)	\$0 or Unknown to (Unknown)
Total Estimated Net Effect on General Revenue	(Unknown, Could exceed \$313,888)	(Unknown)	(Unknown)	\$0 or Unknown to (Unknown)

*Reflects a potential cost for the IT system development that could occur in FY 2026 or a potential unknown cost for FTE to handle the calculations. Unknown savings beginning in FY 2029 reflect a potential reduction in the prisoner population which is assumed to be greater than \$250,000 annually. Oversight notes, in response to other legislation this year, DOC has used a per-inmate cost of \$10,485 to the General Revenue Fund per year.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2029)
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2029)
Federal Funds*	\$0	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

*Income and expenses are estimated at \$64,000 in FY 2026 and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2029)
Total Estimated Net Effect on FTE	0	0	0	\$0

- ☒ 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 2026	FY 2027	FY 2028	Fully Implemented (FY 2029)
Local Government*	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

*Potential increase in incarceration costs for pre-natal nutrition and care requirements.

FISCAL ANALYSIS

ASSUMPTION

§208.247 – Food stamp eligibility

Officials from the **Department of Social Services (DSS)** submitted the following information from the **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS**:

The Missouri Eligibility Determination and Enrollment System (MEDES) currently provides eligibility determinations and case management functions for family MO HealthNet programs and the Children's Health Insurance Program (CHIP) administered by the DSS Family Support Division using the Modified Adjusted Gross Income (MAGI) criteria established under the Patient Protection and Affordable Care Act of 2010 (ACA). The implementation project for the Supplemental Nutrition Assistance Program (SNAP) is in multiple phases ranging from design for some interfaces, development and systems integration testing for other components, through user acceptance testing for the core application. The pilot phase is anticipated to begin around August 2025, with full production implementation to occur around February 2026.

Functions of the SNAP application are in various phases of the system development ranging from design to systems integration testing (SIT). A change order and Project Assessment Quotation (PAQ) will be needed since the SNAP project is currently beyond the design phase and application development and systems integration testing is in progress.

It is likely that the changes required to remove sanction functions associated with drug-related felony convictions as currently specified in § 208.247.1 will delay both the pilot and full production implementations by two to three months to allow time for DDI (design, development and implementation) and testing of the system with the new changes.

Assuming the effective date for this bill is August 28, 2025, the system will have to be modified after the overall SNAP application is in user acceptance testing (UAT) so there will be an extensive testing effort required prior to implementation. A PAQ will have to be executed with the following changes:

- Program rules in MEDES will have to be reconfigured to no longer sanction/disqualify individuals with a drug offense felony conviction.
- Removal of questions regarding drug-related felony conviction from the Citizen Engagement Portal and the Worker Portal.
- Evidence types associated with drug-related felony convictions will need to be deactivated in/or removed from the current programming.

- Modifications to workflow and tasking to no longer generate tasks and remove task dependencies associated with the drug-related felony conviction category.
- Modifications to no longer generate notices and language associated with the drug-related felony conviction sanction type.
- Design, develop and execute a bulk reassessment process to recalculate SNAP allotments on cases that have a sanctioned individual and add or restore benefits based on the new rules effective with the date the sanction type is terminated.

Modifications for the SNAP application are being implemented in MEDES by eSystems. Hourly IT costs under this contract vary by position title and work type. It is estimated to take 968 hours for a total cost of \$127,776 (\$63,888 GR; \$63,888 Federal) in FY 26 exclusively.

Oversight does not have any information to the contrary. Oversight notes the proposed legislation repeals felony related application processing and verifications required for persons who have pled guilty or nolo contendere to or found guilty under federal or state law of a felony involving possession or use of a controlled substance.

[21 U.S.C. Section 862a\(a\)](#) states:

An individual convicted (under Federal or State law) of any offense which is classified as a felony by the law of the jurisdiction involved and which has as an element the possession, use, or distribution of a controlled substance (as defined in section 802(6) of this title) shall not be eligible for—

(1) assistance under any State program funded under part A of title IV of the Social Security Act [42 U.S.C. 601 et seq.], or

(2) benefits under the supplemental nutrition assistance program (as defined in section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012)) or any State program carried out under that Act [7 U.S.C. 2011 et seq.].

The state option under 21 U.S.C. Section 862a(d)(1) states, “A State may, by specific reference in a law enacted after August 22, 1996, **exempt any or all individuals** domiciled in the State from the application of subsection (a).

§558.041 – Good time credit

Officials from the **Department of Corrections (DOC)** state this proposal establishes certain protections for vulnerable persons. Section 558.041 modifies legislation that awards credit to offenders for days spent in prison when they meet specified conditions. In doing so, the bill requires the department to adopt rules that specify the programs or activities for which credit may be earned, along with the criteria for awarding and removing credit. Offenders sentenced to death and offenders sentenced to life without probation or parole are not eligible for credit.

Currently, the department does not have an automated system that could track and calculate the good-time credits that are described in the legislation. At this time, the department is unsure if an automated system can be created because of the different criteria it takes to calculate good time credit. This is a labor-intensive calculation done by hand by our Records Officer staff. It is unknown to the department how many additional staff may be needed in order to comply with this legislation.

As such, the department is unable to project the impact to the prison population. However, it is assumed the legislation would decrease the number of individuals incarcerated. DOC states that this potential savings will not be realized until FY 2029 and then in each subsequent year thereafter. DOC assumes this savings to be more than \$250,000 annually.

Oversight does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect a potential cost for the IT system development that could occur in FY 2026 or a potential unknown cost for FTE to handle the calculations. Additionally, as this new program may decrease populations for DOC, Oversight will reflect a potential savings (\$0 or Unknown) beginning in FY 2029. Oversight notes, in response to other legislation this year, DOC has used a per-inmate cost of \$10,485 to the General Revenue Fund per year.

Responses regarding the proposed legislation as a whole

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 notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 to (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Officials from the **City of Kansas City** state the proposed legislation has a negative fiscal because it may increase the cost of incarnation.

Officials from the **Branson Police Department** state the pre-natal nutrition and care requirements will add costs to the county jails. The department is unsure how much these treatments cost nor how many pregnant offenders will be arrested in the future.

Oversight notes the unknown impact for the City of Kansas City and the Branson Police Department and is unable to project a statewide cost; therefore, the impact to local political subdivisions will be presented as \$0 to (Unknown).

Officials from the **Department of Health and Senior Services**, the **Department of Mental Health**, the **University of Missouri**, the **City of O’Fallon**, the **City of Osceola**, the **Phelps County Sheriff’s Department**, the **Kansas City Police Department**, the **Springfield Police Department**, and the **St. Louis County Police 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.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2029)
GENERAL REVENUE				
<u>Savings</u> - DOC (§558.041) Potential impact to the population relating to good time credit	\$0	\$0	\$0	\$0 or Unknown
<u>Cost</u> - OA, ITSD/DSS (§208.247) MEDES system updates	(\$63,888)	\$0	\$0	\$0
<u>Cost</u> – OSCA (Various provisions) Potential cost relating to protections for pregnant offenders	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> – DOC (§558.041) Calculation of good-time credits	(Unknown, Could exceed \$250,000)	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Unknown, Could exceed \$313,888)	(Unknown)	(Unknown)	\$0 or Unknown to (Unknown)

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2029)
FEDERAL FUNDS				
<u>Income</u> - OA, ITSD/DSS (\$208.247) Reimbursement for MEDES changes	\$63,888	\$0	\$0	\$0
<u>Cost</u> - OA, ITSD/DSS (\$208.247) MEDES system updates	<u>(\$63,888)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2029)
LOCAL POLITICAL SUBDIVISIONS				
<u>Cost</u> – (§§221.520 and 221.523) Potential increase in incarceration costs	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>

FISCAL IMPACT – Small Business

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

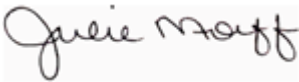
FISCAL DESCRIPTION

The proposed legislation establishes certain protections for vulnerable persons.

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 Corrections
Department of Health and Senior Services
Department of Mental Health
Department of Social Services
Office of the State Courts Administrator
University of Missouri
City of Kansas City
City of O'Fallon
City of Osceola
Phelps County Sheriff's Department
Branson Police Department
Kansas City Police Department
Springfield Police Department
St. Louis County Police Department



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