

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2984H.01I
Bill No.: HB 1441
Subject: Family Law; Public Assistance; General Assembly; Governor and Lt. Governor
Type: Original
Date: March 3, 2025

Bill Summary: This proposal establishes provisions relating to duties of the Department of Social Services.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General*	\$0 or (Unknown, could significantly exceed \$6,345,987)	\$0 or (Unknown, could significantly exceed \$6,570,149)	\$0 or (Unknown, could significantly exceed \$6,636,909)
Total Estimated Net Effect on General Revenue	\$0 or (Unknown, could significantly exceed \$6,345,987)	\$0 or (Unknown, could significantly exceed \$6,570,149)	\$0 or (Unknown, could significantly exceed \$6,636,909)

*The range is based on whether or not DSS receives waiver approval.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Income and costs are estimated at \$0 or \$6.6 million annually and net to \$0. The range is based on whether or not DSS receives waiver approval. Oversight notes there is a **potential** (speculative) loss of Title IV-D federal share of up to \$46.7 million which is not included for fiscal note purposes.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	0 or 51	0 or 51	0 or 51
Federal Funds	0 or 51	0 or 51	0 or 51
Total Estimated Net Effect on FTE	51	51	51

* The range is based on whether or not DSS receives waiver approval.

☒ 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
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§ 660.850 - Office of Fatherhood

Department of Social Services (DSS), Family Support Division (FSD) child support (CS)

Officials from the **Department of Social Services (DSS), Family Support Division (FSD) child support (CS)** program assume that the DSS requirements under this bill would be assumed primarily by the FSD CS program which currently handles outreach and parenthood-related initiatives.

FSD CS would compile the reports that DSS is required to file with the general assembly and governor under proposed 660.805.2 and 660.805.3.

Under proposed 680.850.4, the Family Support Division (FSD) child support (CS) program would be required to obtain the specific information for the report submitted to the general assembly and governor regarding the child support guidelines and the enforcement actions. The child support guidelines utilized in the establishment and modification of child support guidelines are created in accordance with federal and state law. The Missouri Supreme Court is required under 452.340 to promulgate guidelines to be used for judicial and administrative proceedings that award child support and is required to publish the guidelines and specifically list and explain the relevant factors and assumptions that are used to calculate the guidelines.

Federal regulation [45 CFR 302.56](#) and section 452.340 requires states to review child support guidelines once every four years. As part of that review, under 45 CFR 302.56 (h) states must analyze economic data on the cost of raising children, analyze economic data on the cost of raising children, analyze guideline applications and deviations gathered through case file data or some other method, analyze payment data and the rates of income imputation, application of the low-income adjustments; and analyze labor market data. To meet this requirement, prior to the guideline review completion, a study is contracted and provided to the Supreme Court Child Support Guidelines Review Committee. The study includes case file data from the Missouri Automated Child Support System. The study is then used by the committee to develop the Civil Procedure Form No.14 and instructions; therefore, the guidelines already take into consideration the factors in proposed 660.850 subdivision (1), (3) (4) and (5) in accordance with federal and state law.

It is also noted that to be in compliance with the Title IV–D state plan, the FSD CS program is required to take enforcement actions in accordance with federal law and regulation including [Sections 454 \(20\)](#) and [466](#) of the Social Security Act, [45 CFR 302](#) and [45 CFR 303](#).

The FSD CS program would need to develop procedures to obtain any information needed for the DSS report required under 660.850.4 by extracting case data and conducting surveys, focus groups or conducting studies of obligors. The FSD CS program currently utilize case data and pre-surveys and post-surveys of participants to measure fatherhood program success and anticipates a similar process to attain the necessary information under 660.850.4.

The Family Support Division (FSD) child support (CS) program currently partners with community agencies that promote responsible parenthood practices through FSD's Responsible Parenthood Initiative (RPI). FSD's Child Support Outreach Unit staff work with the agencies and manage all aspects of the child support cases, including enforcement, paternity, establishment, and modification functions of the individuals participating in the RPI. The community agencies are funded through the TANF block grant and the FSD staff working on the child support cases are funded through federal and state funding.

Under proposed 660.850.5, the DSS is required to establish a new "Office of Fatherhood". The new office expands the scope of the fatherhood program currently in place as the new office is responsible for promoting fatherhood and father-supportive measures throughout state government and local governments within the state and to otherwise encourage the formation and maintenance of two-parent families. The new office additionally must assess the programs, policies and procedures of each state department for the impact on fatherhood. Each state department must provide information to the office to assist in assessment. The office is responsible for submitting reports to the legislature regarding the office's activities for the past year, for the coming year, barriers to father participation and identifying legislation needed to encourage two-parent family formation or maintenance. Proposed 660.850.5 specifies that the Office of Fatherhood is to be funded by the TANF block grant and legislative appropriations.

The FSD CS program must be in compliance with all state plan requirements as stated in [45 CFR 302](#) in order to receive federal funding. The FSD CS program only receives Federal Financial Participation (FFP) for completing work in conformity with the specific requirements stipulated in federal law and regulations. FFP is available at the matching rate of 66% federal, 34% state share for necessary and reasonable expenditures for child support services and activities to carry out the state Title IV-D plan. The requirements in this bill which are not part of the state plan requirements would not qualify for IV-D federal funding. **FSD CS could not utilize FFP for partnering with organizations** to offer grants under 660.850.8 to help implement programs that encourages two-parent family formation and maintenance and two parent-reunification as those activities are not considered IV-D functions under Title IV-D and federal regulation.

FSD CS may be able to request a Section 1115 waiver from the Administration for Children and Families to obtain federal funding as provided in proposed 660.850.7 or use TANF Block grant funds for the activities not currently allowable for using FFP in this proposed bill. If a waiver or TANF block funding were not available, the provisions of 660.850 would have to be fully funded through general revenue appropriations by the general assembly.

The FSD CS program anticipates that the following additional FTE would be necessary perform the duties that DSS is responsible for under proposed 660.850 including compiling the necessary reports, performing the duties of the Office of Fatherhood, and partnering with organizations to offer grants to implement programs to encourage two-parent family formation and maintenance and two parent-reunification:

1 Program Coordinator
1 Program Manager
1 Research Data Analyst
6 Program Specialists
2 Benefit Program Specialist/Supervisors
4 Benefit Program Specialist/Case Analysts

DSS, Office of Workforce and Community Initiatives (OWCI)

Officials from the **DSS** state sections 660.850(1) to 660.850(4) require DSS, starting December 1, 2026, and each December 1st thereafter, to submit reports to the General Assembly and Governor on action to implement Temporary Assistance for Needy Families (TANF) purpose four (4), which “encourages the formation and maintenance of two parent families”.

The reports must include:

- Actions to implement TANF purpose four (4) for the current year and the next three (3) years
- Actions to increase goal four and year-over-year growth
- Outreach and coordination with other Departments to identify policies, programs, and procedures that:
 - Impact the two-parent family formation
 - Need to be modified to encourage two-parent family formation
 - Provide information on how fathers can maximize relationships with children during incarceration
- How child support contributes to the obligor being able to pay for living expenses or pay for the child in the home
- Ways in which child support enforcement case can cause:
 - Loss of a job, housing, transportation, or earnings
 - Result in the obligor to descend into the underground economy
 - Impair the relationship with the child or undermine the state’s goal of encouraging two-parent involvement in the child’s life
- Include child support costs versus costs to raise a child
- How child support guidelines accumulate to uncollectible arrearages
- Steps to reduce uncollectible child support arrearages including reduction in the amount and revisions to enforcement so the obligor can sustain living expenses

DSS shall establish the “Office of Fatherhood”. The DSS Director shall appoint an Assistant Director that reports to the Director. The Office shall have sufficient staff to promote fatherhood

and fatherhood-supportive measures throughout the state. The Office shall be funded through TANF funding and funding allocated by the General Assembly.

The Office will provide the aforementioned report, and produce an annual report to the General Assembly and Governor:

- The Office's activities for the past year and for the coming year
- Any barriers to father participation and equality in all programs and matters relating to children and plans for removing barriers
- Legislative action necessary to support fatherhood and to otherwise encourage two-parent family formation or maintenance

Assuming the General Assembly appropriates funds and the current child support staff are moved to this office, which already complete some of these tasks, this will require a Division Director, a Deputy Division Director, three (3) Program Coordinator, twelve (12) Program Development Specialists, one (1) Human Resource Manager, one (1) Lead Attorney, two (2) Attorneys, a Special Assistant Office and Clerical, two (2) Administrative Support Assistants, and one (1) Fiscal Liaison. **A third-party will also be necessary to complete data analysis.**

Under sections 660.850(9), DSS shall ensure that a similar portion of the TANF funds are allocated proportionally among all four stated goals of the Temporary Assistance for Needy Families program.

It is assumed the Department will produce a report showing the purpose for each program and General Assembly will reappropriate all TANF funding equally across the four (4) TANF purposes.

DSS Anticipates costs of \$3.4M and 25 FTE

DSS, Division of Legal Services (DLS)

Officials from the **DSS DLS** state the proposed legislation, particularly the new §660.850.6, RSMo. will have a fiscal impact on the Division of Legal Services (DLS). This section requires DSS to review judicial orders and to "assess compliance" with §452.375 RSMo. The section includes the 8 factors that must be evaluated when determining custody, and as such, is used in every case that deals with custody. In a recent report by OSCA, there are 20,023 cases per year that have a strong potential to involve custody issues, and therefore, would necessitate DLS attorneys to review 20.023 cases to assess compliance with §452.375, RSMo. Estimating that each case will take an hour to review, and estimating the total time that an attorney would be able to spend on reviewing these cases including time off for vacation, holidays and sick time, there would be a need for 11 new FTE.

Additionally, the activities set forth in the proposed legislation could adversely impact the DSS Title IV-D funding. The Department of Social Service's Title IV-D federal share for SFY 24 was \$46.7 million.

Oversight does not have information to the contrary. Oversight assumes the risk to Title IV-D Federal funds is speculative, therefore for fiscal note purposes, Oversight will not be presenting the potential loss in the fiscal note. Oversight will only reflect the estimates as provided by the DSS for Office of Fatherhood program expenses. Oversight notes that if DSS receives waiver approval, the costs of the program will be entirely from Federal funds. If DSS does not receive waiver approval, program costs will be entirely from General Revenue.

If a waiver is achieved, **Oversight** assumes TANF block grant (federal funds) could be used to fund this proposal. If a waiver is not achieved, Oversight assumes General Revenue would be used to fund this proposal, subject to appropriations.

Officials from the **Department of Corrections (DOC)** state this proposal establishes provisions relating to duties of the Department of Social Services.

Section 660.850 requires the Department of Social Services to file a report to the general assembly by December 1, 2026, and every December thereafter identifying and detailing the department's outreach to and coordination with other state agencies to identify policies, programs, or procedures that negatively impact two-parent family formation and that may be modified to encourage two-parent family formation. The report gives specific attention to incarcerated fathers. In addition, it creates the Office of Fatherhood that assesses the program, policies, and procedures' impact on fatherhood and mandates the department provide information to the office to assist in assessment.

It is unknown how often the Department of Social Services and the Office of Fatherhood will request information or if any of the identified barriers will cause a change in departmental practices. Therefore, this legislation has an unknown cost impact anticipated to exceed \$250,000 on the department.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DOC as "Unknown, likely to exceed \$250,000" annually.

Officials from the, the **Department of Elementary and Secondary Education**, the **Missouri Office of Prosecution Services**, the **Office of Administration (OA)**, the **OA - Administrative Hearing Commission**, 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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other schools and county prosecutors 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 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
<u>Costs – DSS, CS (§ 660.850) p. 5</u>	\$0 or...	\$0 or...	\$0 or...
Personal service	(\$697,103)	(\$844,888)	(\$853,337)
Fringe benefits	(\$457,935)	(\$552,764)	(\$556,039)
Equipment and expense	(\$296,315)	(\$170,939)	(\$175,213)
Total <u>Costs</u> - DSS, CS	(\$1,451,353)	(\$1,568,591)	(\$1,584,589)
FTE Changes	0 or 15	0 or 15	0 or 15
<u>Costs – DSS, OWCI (§ 660.850) p. 6</u>	\$0 or...	\$0 or...	\$0 or...
Personal service	(\$1,561,007)	(\$1,891,940)	(\$1,910,859)
Fringe benefits	(\$917,942)	(\$1,108,791)	(\$1,116,124)
Equipment and expense	(\$448,925)	(\$284,899)	(\$292,021)
Data analysis p. 6	(\$500,000)	\$0	\$0
Total <u>Costs</u> - DSS, OWCI	(\$3,427,874)	(\$3,285,630)	(\$3,319,004)
FTE Changes	0 or 25	0 or 25	0 or 25
<u>Costs – DSS, DLS (§ 660.850) p. 6</u>	\$0 or...	\$0 or...	\$0 or...
Personal service	(\$847,537)	(\$1,027,215)	(\$1,037,488)
Fringe benefits	(\$466,180)	(\$563,358)	(\$567,339)
Equipment and expense	(\$153,043)	(\$125,355)	(\$128,489)
Total <u>Costs</u> - DSS, DLS	(\$1,466,760)	(\$1,715,928)	(\$1,733,316)
FTE Changes	0 or 11	0 or 11	0 or 11
<u>Costs – DSS – partner with organizations and offer grants</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs – DOC (§ 660.850) information sharing and potential departmental practice changes p. 7</u>	\$0 or (Unknown, likely to exceed \$250,000)	\$0 or (Unknown, likely to exceed \$250,000)	\$0 or (Unknown, likely to exceed \$250,000)
ESTIMATED NET EFFECT ON	\$0 or (Unknown, could significantly	\$0 or (Unknown, could significantly	\$0 or (Unknown, could significantly

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE	exceed <u>\$6,345,987</u>	exceed <u>\$6,570,149</u>	exceed <u>\$6,636,909</u>
Estimated Net FTE Change on the General Revenue Fund	0 or 51	0 or 51	0 or 51
FEDERAL FUNDS			
<u>Income</u> – DSS (§ 660.850) Office of Fatherhood program reimbursements p. 5-6	\$0 or \$6,345,987	\$0 or \$6,570,149	\$0 or \$6,636,909
<u>Costs</u> – DSS, CS (§ 660.850) p. 5	\$0 or...	\$0 or...	\$0 or...
Personal service	(\$697,103)	(\$844,888)	(\$853,337)
Fringe benefits	(\$457,935)	(\$552,764)	(\$556,039)
Equipment and expense	(\$296,315)	(\$170,939)	(\$175,213)
Total <u>Costs</u> - DSS, CS	<u>(\$1,451,353)</u>	<u>(\$1,568,591)</u>	<u>(\$1,584,589)</u>
FTE Changes	0 or 15	0 or 15	0 or 15
<u>Costs</u> – DSS, OWCI (§ 660.850) p. 6	\$0 or...	\$0 or...	\$0 or...
Personal service	(\$1,561,007)	(\$1,891,940)	(\$1,910,859)
Fringe benefits	(\$917,942)	(\$1,108,791)	(\$1,116,124)
Equipment and expense	(\$448,925)	(\$284,899)	(\$292,021)
Data analysis p. 6	(\$500,000)	\$0	\$0
Total <u>Costs</u> - DSS, OWCI	<u>(\$3,427,874)</u>	<u>(\$3,285,630)</u>	<u>(\$3,319,004)</u>
FTE Changes	0 or 25	0 or 25	0 or 25
<u>Costs</u> – DSS, DLS (§ 660.850) p. 6	\$0 or...	\$0 or...	\$0 or...
Personal service	(\$847,537)	(\$1,027,215)	(\$1,037,488)
Fringe benefits	(\$466,180)	(\$563,358)	(\$567,339)
Equipment and expense	(\$153,043)	(\$125,355)	(\$128,489)
Total <u>Costs</u> - DSS, DLS	<u>(\$1,466,760)</u>	<u>(\$1,715,928)</u>	<u>(\$1,733,316)</u>
FTE Changes	0 or 11	0 or 11	0 or 11
<u>Costs</u> – DSS – partner with organizations and offer grants	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
Estimated Net FTE Change Federal Funds	0 or 51	0 or 51	0 or 51

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<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 requires the Department of Social Services to annually submit three reports pertaining to goal four of the Temporary Assistance for Needy Families (TANF) program, which is the goal that encourages the formation and maintenance of two-parent families. The three reports are as follows: (1) Actions taken by the Department in the last three years to implement goal four, those actions taken and contemplated to increase the future utilization of goal four, and year-over-year growth in the utilization of goal four; (2) The Department's coordination with other state agencies to identify policies that negatively impact two-parent family formation or maintenance, with specific attention to the criminal justice system; and (3) The ways in which current child support guidelines contribute to an obligor being unable to adequately sustain his or her own living expenses, the ways in which current child support enforcement efforts are unnecessarily severe or may cause job loss, descent into the underground economy, or a damaged relationship with the obligor's child, the extent to which current guidelines exceed the marginal cost of the child's presence in the support recipient's household or otherwise includes disguised alimony, the extent to which current guidelines contribute to the accumulation of uncollectible arrearages, and steps that may be taken to reduce these accumulations.

The bill establishes, within the Department, the Office of Fatherhood and sets provisions for staff size, the head of the Office, and funding sources, and designates the office's duty as assessing the programs, policies, and procedures of each state department to gauge their impact on fatherhood.

The Office is required to submit an annual report to the General Assembly and the Governor detailing the office's past activities, future plans, existing barriers to father participation and equality, plans for removing those barriers, and any legislative action necessary to support fatherhood and to otherwise encourage two-parent family formation or maintenance.

The Office is also required to submit an additional report by December 1, 2026, to the General Assembly and Governor after reviewing judicial decisions and administrative actions to assess compliance with certain provisions of statute governing domestic relations, including child custody determinations and child support enforcement actions.

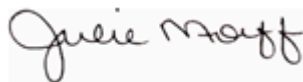
This bill requires the Department to partner with organizations in this state to offer grants to implement programs encouraging two-parent family formation and maintenance as well as two-parent reunification. The programs are required to focus on marriage education, marriage and relationship skills, public and coparent skills workshops, public awareness campaigns on the value of marriage and responsible fatherhood, premarital counseling, couples counseling, shared parenting mediation, family reconciliation, court-ordered counseling at the beginning of divorce proceedings, school programs, community organization programs, counseling and legal assistance in cases of parental alienation, and family reunification assistance for released prisoners.

The Department is required to ensure that a similar portion of TANF funds are proportionally allocated among all four stated goals of the program, as well as file any waivers or changes to the Department's state plan. (§ 660.850)

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

SOURCES OF INFORMATION

Administrative Hearing Commission
Department of Corrections
Department of Elementary and Secondary Education
Department of Social Services
Missouri Office of Prosecution Services
Office of Administration
Office of the State Courts Administrator



Julie Morff
Director
March 3, 2025



Jessica Harris
Assistant Director
March 3, 2025