

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5397H.02I  
 Bill No.: HB 2088  
 Subject: Mental Health; Department of Mental Health; Courts  
 Type: Original  
 Date: March 4, 2026

Bill Summary: This proposal creates provisions relating to court-ordered involuntary outpatient treatment for persons with mental disorders.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2036)
General Revenue**/**	(\$55,615 to Unknown)	(\$136,146 to Unknown)	(\$185,158 to Unknown)	(\$332,325 to Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$55,615 to Unknown)</b>	<b>(\$136,146 to Unknown)</b>	<b>(\$185,158 to Unknown)</b>	<b>(\$332,325 to Unknown)</b>

\*DOC notes that current capacity will be met by July 2029 (FY 2030) or potentially much sooner. Therefore, Oversight has made the decision to reflect the marginal cost of incarceration up to an unknown cost if DOC needs to add staff and/or rehabilitate, expand or construct additional capacity. Oversight assumes the unknown cost has the potential to exceed \$250,000.

\*\* Costs to DMH are unknown but could exceed \$250,000 annually.

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2036)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2036)
Federal Funds*	\$0	\$0	\$0	\$0
<b>Total Estimated Net Effect on All Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Revenue gain and costs to DMH are unknown but could exceed \$250,000 annually and net to \$0.

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2036)
<b>Total Estimated Net Effect on FTE</b>	<b>0</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.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2036)
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Attorney General's Office** and **Missouri Office of Prosecution Services** did not respond to **Oversight's** request for fiscal impact for this proposal.

### §§632.580, 632.585, 632.590, 632.593, 632.595, 632.600, 632.605 and 632.610 - Court-Ordered Involuntary Outpatient Treatment for Persons with Mental Disorders

Officials from the **Department of Corrections (DOC)** state this proposal creates provisions relating to court-ordered involuntary outpatient treatment for persons with mental disorders.

Section 632.585 allows for petitions for assisted outpatient treatment to be filed without notarization or for any affidavits, declarations, or other documents supporting a petition. The petition and any affidavits, declarations, or other documents supporting the petition shall be subject to the provisions of section 492.060 allowing for declaration under penalty of perjury (§575.040). The level of offense for perjury is a class E, D, B, or A felony.

As these are new crimes, there is little direct data on which to base an estimate, and as such, the department estimates an impact comparable to the creation of a new class E, D, B, and A felony.

For each new nonviolent class E felony, the department estimates one person could be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years, of which 2.1 years will be served in prison with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on the department is estimated to be 2 additional offenders in prison and 7 additional offenders on field supervision by FY 2029.

For each new nonviolent class D felony, the department estimates three people could be sentenced to prison and five to probation. The average sentence for a nonviolent class D felony offense is 5 years, of which 2.8 years will be served in prison with 1.7 years to first release. The remaining 2.2 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on the department is estimated to be 8 additional offenders in prison and 16 additional offenders on field supervision by FY 2029.

Given the seriousness of class B felony offenses and that the introduction of a completely new class B felony offense is a rare event, the department assumes the admission of one person per year to prison following the passage of the legislative proposal.

Offenders committed to prison with a class B felony as their most serious sentence, have an average sentence length of 9.0 years and serve on average, 3.4 years in prison prior to first release. The department assumes one third of the remaining sentence length will be served in

prison as a parole return, and the rest of the sentence will be served on supervision in the community.

The cumulative impact on the department is estimated to be 5 additional offenders in prison and no additional offenders on field supervision by FY 2031.

Given the seriousness of class A felony offenses and that the introduction of a completely new class A felony offense is a rare event, the department assumes the admission of one person per year to prison following the passage of the legislative proposal.

Offenders committed to prison with a class A felony have an average sentence length of 17.1 years and serve on average, 12.3 years in prison prior to first release. The department assumes one third of the remaining sentence length will be served in prison as a parole return, and the rest of the sentence will be served on supervision in the community.

The sentence lengths associated with these offenses pushes the estimate of total cumulative impact on the department beyond the 10-year time frame of this fiscal note. However, the estimated impact by FY 2036 is 10 additional offenders in prison.

### Combined Cumulative Estimated Impact

The total impact of adding a, A, B, Non-violent D and Non-Violent E felony on the department is estimated to be 25 additional offenders in prison and 33 on field supervision by FY 2036.

	# to prison	Cost per year	Total Costs for <b>prison</b>	Change in probation & parole officers	Total cost for <b>probation and parole</b>	# to probation & parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	6	(\$11,123)	(\$55,615)	0	\$0	7	(\$55,615)
Year 2	12	(\$11,123)	(\$136,146)	0	\$0	14	(\$136,146)
Year 3	16	(\$11,123)	(\$185,158)	0	\$0	23	(\$185,158)
Year 4	18	(\$11,123)	(\$212,469)	0	\$0	26	(\$212,469)
Year 5	20	(\$11,123)	(\$240,798)	0	\$0	29	(\$240,798)
Year 6	21	(\$11,123)	(\$257,895)	0	\$0	30	(\$257,895)
Year 7	22	(\$11,123)	(\$275,579)	0	\$0	31	(\$275,579)
Year 8	23	(\$11,123)	(\$293,867)	0	\$0	32	(\$293,867)
Year 9	24	(\$11,123)	(\$312,777)	0	\$0	33	(\$312,777)
Year 10	25	(\$11,123)	(\$332,325)	0	\$0	33	(\$332,325)

The department would assume a marginal cost (times number of offenders) to unknown, depending on the underlying offender population. If DOC exceeds the current capacity, additional capacity will need to be constructed and use the full cost of incarceration will be utilized.

The department will assume a marginal cost (multiplied by number of offenders) for any projected increase or decrease in the incarcerated population. Marginal cost is \$30.47 per day or an annual cost of \$11,123 per offender which includes costs such as medical, food, wages and operational E&E. The unknown amount is a result of the uncertainty in the growth of the underlying offender population. The impact of any new legislation combined with the growth of the underlying population could result in the tiered approach below in order to meet the population demands.

1. Fully staffing the current capacity (27,368) which is habitable, but DOC does not have the staffing resources for all bed space.
2. Rehabilitating current space that is not currently habitable and obtaining staffing resources for that space (requires capital improvements).
3. Expanding new capacity by adding housing units or wings to existing prisons and obtaining staffing resources for that space (requires capital improvements).
4. Constructing a new prison and obtaining staffing resources. Based on current construction projects in other Midwest states, the department estimates the cost of constructing a new 1,500-bed maximum security prison at approximately \$825 million to \$900 million plus annual operating costs of approximately \$50 million (requires capital improvements).

The department's population projections indicate current physical capacity will be met by July 2029; however recent trends indicate that capacity could be met much sooner. Should new construction be the result of the increasing offender population, the full cost per day per offender would be used which is \$106.96 or an annual cost of \$39,040. This includes all items in the marginal cost calculation plus fringe, personal service, utilities, etc.

DOC's cost of probation or parole is determined by the number of P&P Officer II positions that are needed to cover its caseload. The DOC average district caseload across the state is 51 offender cases per officer. An increase/decrease of 51 cases would result in a cost/cost avoidance equal to the salary, fringe, and equipment and expenses of one P&P Officer II. Increases/decreases smaller than 51 offender cases are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases.

\* If this impact statement has changed from statements submitted in previous years, it could be due to an increase/decrease in the number of offenders, a change in the cost per day for institutional offenders, and/or an increase in staff salaries.

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

Officials from the **Department of Mental Health (DMH)** state this proposal creates provisions relating to court ordered involuntary outpatient treatment for persons with mental disorders.

Section 632.580 defines “assisted outpatient treatment” as court ordered involuntary outpatient mental health care services that are provided by a mental health program under a treatment plan developed and monitored by a master’s level mental health professional. The services can include case management, medication management, therapy, substance use treatment, crisis intervention services, and assistance with housing, employment, or other county resources necessary to an individual’s stability.

Section 632.585 states a petition for an order authorizing involuntary outpatient treatment may be filed by the director, administrator or treating physician of a mental health program of where the individual is hospitalized or an emergency center where the individual is receiving services or the Department of Health and Senior Services (DHSS), the DMH or any local public health agency located within the judicial district in which the petition is filed. Subsection 3 states the petition shall allege under oath, without a notarization requirement, that the petitioner has reason to believe that the respondent meets the criteria for assisted outpatient treatment in section 632.590 and the petition shall specify factual information on which such belief is based and shall contain the names and addresses of all persons known to the petitioner who have knowledge of such facts through personal observation. Subsection 4 states no notarization shall be required for a petition or for any affidavits, declarations or other documents supporting a petition and shall be subject to the provisions of section 492.050 allowing for declaration under penalty of perjury.

Section 632.590 states a court may issue an order requiring a respondent to participate in assisted outpatient treatment if they are eighteen years of age or older, is suffering from a mental disorder, will not obtain treatment voluntarily and is unable to make an informed decision to seek or to comply with the voluntary treatment. The court shall assign a case manager from a Certified Community Behavioral Health Clinic (CCBHC) to individuals ordered to assisted outpatient treatment, and the case manager shall monitor compliance of the court order. The case worker and respondent shall report to court at least every 90 days unless the court request more frequent appearances. Respondents that do not comply with the order may be court ordered to an evaluation or hospitalization as outlined.

DMH does not directly provide outpatient services. The Department of Mental Health (DMH) contracts with Community Mental Health Centers (CMHC) and CCBHC providers who provide Assisted Outpatient Treatment (AOT). Because of the case management and treatment requirements included in the proposal, DMH community providers will likely see increased costs. The fiscal impact at this time is unknown as it is not known how many individuals being ordered to AOT would be new to their system.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DMH. Oversight assumes the unknown negative impact to DMH could exceed \$250,000 annually each to GR and Federal Funds.

Officials from the **Office of the State Courts Administrator (OSCA)** state this proposal may have some impact but there is no way to quantify that amount 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 or (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 **Department of Health and Senior Services, Department of Public Safety - Missouri Highway Patrol, Department of Social Services, Office of the State Public Defender, Newton County Health Department, Phelps County Sheriff's Department, Kansas City Police Department** and **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.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other local public health agencies, circuit clerks, county prosecutors, public administrators, law enforcement agencies and hospitals were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2036)
<b>GENERAL REVENUE</b>				
<u>Cost – OSCA</u> (§§632.580-632.610) Increased court costs p.7*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost – DOC</u> (§632.585) Increased incarceration costs p.3- 6*	(\$55,615 to Unknown)	(\$136,146 to Unknown)	(\$185,158 to Unknown)	(\$332,325 to Unknown)
<u>Cost – DMH</u> (§632.590) Outpatient services p.6-7*	(Unknown)	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(\$55,615 to Unknown)</b>	<b>(\$136,146 to Unknown)</b>	<b>(\$185,158 to Unknown)</b>	<b>(\$332,325 to Unknown)</b>
<b>FEDERAL FUNDS</b>				
<u>Revenue Gain – DMH</u> (§632.590) Outpatient services p.6-7**	Unknown	Unknown	Unknown	Unknown
<u>Cost – DMH</u> (§632.590) Outpatient services p.6-7**	(Unknown)	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

\* Costs to DMH are unknown but could exceed \$250,000 annually.

\*\* Revenue gain and costs to DMH are unknown but could exceed \$250,000 annually and net to \$0.

<u>FISCAL IMPACT</u> <u>- Local</u> <u>Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2036)
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Community providers may see an increase in business from court-ordered treatment.

FISCAL DESCRIPTION

This bill allows a petition for an order authorizing involuntary outpatient treatment to be filed by the director, administrator or treating physician of a mental health program or of an emergency receiving center or by the Department of Health and Senior Services, Department of Mental Health, or any local public health agency located within the jurisdiction where the petition is filed. A petition can also be filed by the appointed guardian or limited guardian when the respondent is a ward. The bill provides the procedures for the hearing to determine if the respondent should be required to participate in assisted outpatient treatment and the circumstances under which a court can issue an order. Prior to issuing an order, the court or the jury must consider a number of factors related to the respondent, as specified in the bill.

If the respondent requests that an available licensed physician or licensed psychologist examine the respondent and testify at the hearing, the court must make the appointment, but the court must not appoint a licensed physician or licensed psychologist who is an employee of an entity where the respondent is hospitalized or receiving services or of an entity that filed the petition, if the respondent or the respondent's attorney so requests. The court must also assign a case manager from a certified community behavioral health clinic to each respondent ordered to participate in assisted outpatient treatment, and the case manager must report to the court at least once every 90 days.

The mental health program or mental health professional who is providing the respondent's treatment must notify the court immediately if the program or professional determines that the respondent is not complying with the court order, and the bill specifies what the court can require of the respondent if the court receives this notice. Extensions for the court order will be obtained in the same manner as the original order, with some exceptions, as provided in the bill.

The bill requires the Office of State Courts Administrator to submit an annual report to the General Assembly summarizing information related to assisted outpatient treatment.

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 Public Safety - Missouri Highway Patrol  
Department of Social Services  
Office of the State Courts Administrator  
Office of the State Public Defender  
Newton County Health Department  
Phelps County Sheriff's Department  
Kansas City Police Department  
St. Louis County Police Department



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