

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4404-02  
Bill No.: HB 1652  
Subject: Children and Minors; Family Law  
Type: Original  
Date: April 4, 2006

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(More than \$376,857) to Unknown	(More than \$440,491) to Unknown	(More than \$451,674) to Unknown
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(More than \$376,857) to Unknown</b>	<b>(More than \$440,491) to Unknown</b>	<b>(More than \$451,674) to Unknown</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
State School Moneys*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Offsetting savings and losses to State School Moneys Fund in FY 2008 and FY 2009.  
 Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
Federal**	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds**</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*\* Offsetting income and costs of approximately \$850,000 per fiscal year.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government***</b>	<b>Unknown</b>	<b>\$0</b>	<b>\$0</b>

\*\*\*\* Local School Districts would have offsetting income from increased fines and losses from reduced distribution from State School Moneys Fund in FY 2008 and FY 2009.

### **FISCAL ANALYSIS**

#### ASSUMPTION

Officials from the **Department of Economic Development – Division of Workforce Development, Department of Labor and Industrial Relations, Department of Public Safety – Missouri State Highway Patrol, – Director’s Office, and the State Treasurer’s Office** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of State Courts Administrator (CTS)** assume the proposed legislation would allow circuit courts to create criminal nonsupport divisions to handle nonviolent criminal nonsupport cases and create a “Criminal Nonsupport Division Coordinating Commission” and a Resource Fund.

The Coordinating Commission and Resources Fund appear to be set up similarly to the Drug Court Coordinating Commission and Drug Court Resources Fund. These activities are very labor intensive for the courts. Since the legislation is permissive, CTS has no way of knowing how many courts would create the programs. Any significant increase in workload will be reflected in future budget requests.

ASSUMPTION (continued)

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there is no state cost to the foundation formula associated with the increases in fines or penalty distributions in this proposal. Should the new crimes and amendments to current law result in additional fines or penalties, DESE cannot know how much additional money might be collected by local governments or the DOR to distribute to schools. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to schools increases the deduction in the foundation formula the following year. Therefore the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

DESE states Section 478.495.5 refers to the director of the Department of Education. DESE assumes they will likely incur costs related to participation in the “Criminal Nonsupport Divisions Coordinating Commission” if it is determined that this portion applies to the Department of Elementary and Secondary Education. The extent of any costs will depend upon actions taken by the commission. DESE assumes the costs will not likely be significant.

Officials from the **Department of Corrections (DOC)** assume an unknown savings as the penalty changes will potentially serve as a reduction in incarceration time for DOC; however, the mandatory work release result in an unknown cost to the DOC.

Officials from the **Department of Social Services (DOS) – Family Support Division (FSD)** state they enter into cooperative agreements with Prosecuting Attorneys offices to assist the FSD in executing child support services. Since it is likely that the mandatory sentencing provisions set forth in this legislation will result in increased court trials for the Prosecuting Attorneys (PA), FSD expects that those offices filing over 100 criminal nonsupport charges each year would need additional attorney resources to manage the increase in court trials. There are at least 16 PA offices that file over 100 criminal nonsupport charges annually. FSD believes that these 16 PA offices would need one additional Assistant Prosecuting Attorney and corresponding expenses to manage the increase in court trials. Therefore, the fiscal impact for this bill would be the additional Assistant Prosecuting Attorney in each of the 16 PA offices and their corresponding expenses.

DOS officials state they reimburse Prosecuting Attorney offices for child support activities. These are funded with General Revenue (34%) and Federal (66%) Funds.

ASSUMPTION (continued)

FSD is unable to determine the impact to child support collections associated with this proposed legislation.

DOS estimates the total fiscal impact of the proposal to be approximately \$1,108, 000 in FY 07 and \$1,300, 000 in subsequent years. These costs would impact the General Revenue (34%) and Federal (66%) Funds.

**Officials from the Office of Prosecution Services and the Office of the State Public Defender did not respond to Oversight’s request for fiscal impact.**

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>GENERAL REVENUE FUND</b>			
<u>Savings</u> – Reduced appropriations to State School Moneys Fund	\$0	Unknown	Unknown
<u>Savings</u> – Department of Corrections Reduced incarcerations	Unknown	Unknown	Unknown
<u>Costs</u> – Department of Corrections Mandatory work release	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> – Department of Social Services Personal Service (5.44 FTE)	(\$229,221)	(\$282,055)	(\$289,106)
Fringe Benefits	(\$100,995)	(\$124,273)	(\$127,380)
Equipment and Expense	<u>(\$46,641)</u>	<u>(\$34,163)</u>	<u>(\$35,188)</u>
<u>Total Costs</u> – DOS	<u>(\$376,857)</u>	<u>(\$440,491)</u>	<u>(\$451,674)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(More than \$376,857) to Unknown</u></b>	<b><u>(More than \$440,491) to Unknown</u></b>	<b><u>(More than \$451,674) to Unknown</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>STATE SCHOOL MONEYS FUND</b>			
<u>Savings</u> – Reduced distributions to local school districts	\$0	Unknown	Unknown
<u>Losses</u> – Reduced appropriations from General Revenue Fund	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>FEDERAL FUNDS</b>			
<u>Income</u> – Department of Social Services Receipt of federal funds	\$731,547	\$855,072	\$876,779
<u>Costs</u> – Department of Social Services			
Personal Service (10.56 FTE)	(\$444,959)	(\$547,519)	(\$561,206)
Fringe Benefits	(\$196,049)	(\$241,237)	(\$247,268)
Equipment and Expense	<u>(\$90,539)</u>	<u>(\$66,316)</u>	<u>(\$68,305)</u>
<u>Total Costs</u> – DOS	<u>(\$731,547)</u>	<u>(\$855,072)</u>	<u>(\$876,779)</u>
<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 2007 (10 Mo.)	FY 2008	FY 2009
<b>POLITICAL SUBDIVISIONS</b>			
<u>Revenues</u> – School Districts			
Income from fines	Unknown	Unknown	Unknown
<u>Losses</u> – School Districts			
Reduced distributions from State School Moneys Fund	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS</b>	<b><u>Unknown</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.

DESCRIPTION

The proposed legislation allows a circuit court to establish a court division for disposition of cases involving criminal nonsupport. A criminal nonsupport division will have the authority to refer defendants for criminal nonsupport education, vocational or employment training, or to work programs. After successful completion of a court-ordered training program or commencement of support payments, the defendant may have the charges, petition, or penalty against him or her dismissed, reduced, or modified. An eight-member Criminal Nonsupport Divisions Coordinating Commission will be established to coordinate and allocate resources made available through the newly created Criminal Nonsupport Division Resources Fund. The proposal also creates new penalties for any person convicted of criminal nonsupport as follows:

- (1) A first offense will result in a suspended imposition of sentence and an appropriate period of probation;
- (2) A second offense will result in a suspended execution of sentence and an appropriate period of probation; and
- (3) A third or subsequent offense will be punished within the range for the class of offense that the defendant was convicted of as provided by law.

DESCRIPTION (continued)

During any period that a nonviolent defendant is incarcerated for criminal nonsupport, the court will, if the defendant is ready, willing, and able to be gainfully employed and except for good cause shown, place the defendant on work release in order to satisfy the defendant's obligation to pay support.

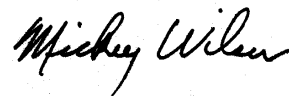
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator  
Department of Elementary and Secondary Education  
Department of Economic Development  
Department of Corrections  
Department of Labor and Industrial Relations  
Department of Social Services  
Department of Public Safety  
    – Director's Office  
    – Missouri State Highway Patrol  
State Treasurer's Office

NOT RESPONDING

**Office of Prosecution Services**  
**Office of the State Public Defender**



Mickey Wilson, CPA  
Director

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