

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6461-01  
Bill No.: HCB 12  
Subject: Children and Minors; Children’s Division; Education, Elementary and Secondary; Drugs and Controlled Substances; Crimes and Punishment; Courts, Juvenile; Medicaid/MO HealthNet; Adoption; Health Care; Tax Credits  
Type: Original  
Date: April 5, 2018

Bill Summary: This proposal modifies provisions relating to the protection of vulnerable persons.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(\$3,534,035 to \$5,074,388)	(Up to \$4,998,589)	(Up to \$5,185,406)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$3,534,035 to \$5,074,388)</b>	<b>(Up to \$4,998,589)</b>	<b>(Up to \$5,185,406)</b>

**Note: The fiscal note does not reflect the possibility that some of the tax credits could be utilized by insurance companies against insurance premium taxes. If this occurs, the loss in tax revenue would be split between the General Revenue Fund and the County Foreign Insurance Fund, which ultimately goes to local school districts.**

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Federal Reimbursement Allowance	(\$250,549)	(\$676,182)	(\$706,785)
Pharmacy Rebates	(\$21,203)	(\$245,951)	(\$305,318)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$271,752)</b>	<b>(\$922,133)</b>	<b>(\$1,012,103)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 20 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Federal *			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Income and expenses exceed \$8.4 million annually and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §§135.621 & 135.800 - Diaper bank tax credit

Officials from the **Office of Administration (OA), Division of Budget and Planning (B&P)** assume this proposal would create a tax credit for qualified contributions to a qualified diaper bank, beginning with tax year 2019. B&P notes that the language states “For all tax years beginning on or after July 1, 2019”. However, the majority of tax years begin January 1. Therefore, for the purpose of this fiscal note, B&P assumes that this section would apply to a taxpayer’s full tax year 2019 liability.

A taxpayer shall be allowed a credit up to 50 percent of the qualified contribution, but the credit shall not exceed \$50,000 per tax year. The tax credit shall not be refundable, does not allow for a carry-forward period, and may not be transferred, sold, or assigned. This program has a sunset date of December 31, 2024.

Section 135.621.8 places an annual cumulative cap of \$500,000 on the amount of tax credits that may be claimed per tax year. Therefore, B&P estimates that this proposal may reduce Total State Revenue and General Revenue by \$500,000 annually, beginning in FY 2020. B&P notes that the language allows the cap to increase annually if the amount of redemptions in the previous fiscal years was less than that fiscal year’s redemption cap.

Section 135.800 adds this tax credit to the definition of domestic and social credits.

This proposal will reduce Total State Revenue by \$500,000 annually. This proposal will impact the calculation under Article X, Section 18(e).

Officials from the **Department of Revenue (DOR)** state for all tax years beginning on or after July 1, 2019, a taxpayer shall be allowed to claim a tax credit against the taxpayer’s state tax liability in an amount equal to 50 percent of the amount of such taxpayer’s contribution to a diaper bank.

The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year for which the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per tax year. However, any tax credit that cannot be claimed in the tax year the contribution was made may be carried over only to the next succeeding tax year. No tax credit issued under this section shall be assigned, transferred, or sold.

Except for any excess credit that is carried over under subsection 3 of this section, no taxpayer shall be allowed to claim a tax credit unless the taxpayer contributes at least one hundred dollars to one or more diaper banks during the tax year for which the credit is claimed.

ASSUMPTION (continued)

The Department shall determine, at least annually, which entities in this state qualify as diaper banks. The Department may require of an entity seeking to be classified as a diaper bank any information which is reasonably necessary to make such determination. The Department shall classify an entity as a diaper bank if such entity satisfies the definition under subsection 2 of this section.

The cumulative amount of tax credits that may be claimed by all taxpayers contributing to diaper banks in any one fiscal year shall not exceed five hundred thousand dollars. Tax credits shall be issued in the order contributions are received. If the amount of tax credits redeemed in a tax year is less than five hundred thousand dollars, the difference shall be added to the cumulative limit created under this subsection for the next fiscal year and carried over to subsequent fiscal years until claimed.

DOR's Personal Tax Section will require one Revenue Processing Technician I (\$26,340 annually) for every 6,000 tax credits redeemed and one Revenue Processing Technician I (\$26,340 annually) for every 5,700 additional pieces of correspondence created.

In addition, the Corporate Tax Section will require one Revenue Processing Technician I (\$26,340 annually) for every 6,000 tax credits redeemed and one Revenue Processing Technician I (\$26,340 annually) for every 5,700 additional pieces of correspondence created.

The DOR estimates this proposal will result in a cost to General Revenue (GR) of \$138,939 for FY19. A positive fiscal impact to GR of \$390,556 and \$389,417 for FY20 and 21, respectively, anticipated.

**Oversight** notes this proposal allows a taxpayer to claim up to \$50,000 in credits. Therefore, the number of taxpayers receiving the credits could be as low as 20. Oversight assumes DOR will be able to handle this new tax credit with existing resources. Should DOR experience the number of additional tax credit redemptions to justify another FTE, additional funding could be sought through the appropriations process.

Officials from the **Department of Social Services (DSS), Division of Finance and Administrative Services (DFAS)** state DFAS will have to annually qualify the regional diaper banks to participate in the program. In addition, DFAS will have to develop regulations; develop forms to be used for submission by the organization on behalf of themselves and the taxpayers; develop quarterly reports for the DOR and update the current tax credit web site.

DFAS currently administers five tax credit programs. Because it appears there are only three regional diaper banks in Missouri, DFAS will be able to accomplish the added tasks of administering a sixth program with existing staff.

ASSUMPTION (continued)

**Oversight** found, for informational purposes, the National Diaper Bank Network reports there are 224,469 children in Missouri under the age of 3. Currently, there are 10 diaper banks in Missouri that distribute 1,587,439 diapers annually. The diaper banks are located in:

Columbia  
Springfield  
Fenton  
Higginsville  
New Madrid  
Richmond  
St. Louis  
St. Joseph

Officials at the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume a potential unknown decrease of premium tax revenues as a result of creating the diaper bank donation tax credit. Premium tax revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts throughout the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year.

The department will require minimal contract computer programming to add this new tax credit to the premium tax database and can do so under existing appropriation. However, should multiple bills pass that would require additional updates to the premium tax database, the department may need to request more expense and equipment appropriation through the budget process.

**Oversight** notes this proposal creates a tax credit for 50% of the contribution made to a diaper bank. This credit is to begin July 1, 2019, therefore Oversight will show the credit in the year in which tax returns would first be filed, FY 2020. This credit has a five hundred thousand dollar cap so Oversight will show the impact as (Up to the \$500,000).

§208.087 - Educational requirements for Children's Division CA/N investigators

**DSS** officials from the Human Recourse Center (HRC) stated they listed the minimum requirements for Children Service Workers I and II below and they do not appear to meet the minimums proposed in Section 207.087. Children's Division(CD) management and human resource staff need to review for impact to recruitment, retention and accreditation standards.

ASSUMPTION (continued)

**Children's Service Worker I:** A Bachelor's or higher level degree with a minimum of 30 earned semester hours or 45 earned quarter hours.

**Children's Service Worker II:** A Bachelor's degree with a minimum of 30 earned semester hours or 45 earned quarter hours in one or a combination of the above fields; and, one or more years of professional experience.

§208.151 - MoHealthNet coverage for pregnant women receiving SUD treatment services

Officials from the **Department of Mental Health (DMH)** state the proposed legislation maintains pregnant women receiving substance abuse treatment within sixty days of giving birth shall be eligible for MO HealthNet benefits for no more than twelve additional months as long as the woman remains adherent with treatment. The DMH and the Department of Social Services (DSS) shall seek any necessary waiver from the Centers for Medicare and Medicaid Services and shall develop rules relating to treatment plan adherence. No later than fifteen months after receiving any necessary waiver, DMH and the DSS shall report to the House of Representatives Budget Committee and the Senate Appropriations Committee on the compliance with federal cost neutrality requirements. Currently all MO Health coverage, including substance use disorder treatment, ends for the woman on the last day of the month that is 60 days after the pregnancy ends.

DMH officials state the Department of Social Services/MO HealthNet Division (DSS/MHD) estimates 114 women a month will qualify for MO HealthNet coverage of substance use disorder treatment under this legislation. The average cost for the DMH to provide substance use disorder (SUD) treatment is \$259.83 per month. The anticipated impact calculated by DSS for DMH is \$1,629,134 (\$566,890 GR and \$1,062,244 Federal) for FY19; \$4,396,707 (\$1,529,922 GR and \$2,866,785 Federal) for FY20 and \$4,595,697 (\$1,599,165 GR and \$2,996,532 Federal) for FY21. DMH agrees with the cost estimate provided by DSS. Some of the cost to DMH could be offset with existing funds.

**Oversight** notes the number of women receiving SUD treatment will increase each month by 114 participants until the end of one year (114 X 12 months = 1,368 maximum participants; however, month 1 will have 114 participants; month 2 will have 228 participants; month 3 will have 342 participants and so on until the end of 12 months). At that time the number of new participants entering the program each month will equal the number of participants losing eligibility.

ASSUMPTION (continued)

Officials from the **DSS, MO HealthNet Division (MHD)** state the proposed legislation adds language that extends Substance Use Disorder (SUD) post-partum coverage from sixty days to one year including seeking a waiver from the Centers for Medicare and Medicaid Services (CMS) and specifies that the 12 months of MO HealthNet benefits are for women who remain adherent with treatment.

The Family Support Division (FSD) was provided the average monthly MO HealthNet for Pregnant Women (MPW) participants currently receiving SUD treatment within their 60 day postpartum period by the MHD Evidence Based Unit.

If the provisions of this bill are enacted, MHD estimates that, on a monthly basis, an average of 114 individuals would be eligible to receive MO HealthNet benefits for one year from their last day of pregnancy.

MHD's Evidence Based Unit identified how many pregnant women were currently treated for Substance Use Disorder (SUD) and applied that percentage to the monthly births; therefore, approximately 114 additional women will be added each month who will receive SUD treatment for up to one year postpartum (1,368 participants). At the end of one year, the number of new women receiving services will equal the number of women no longer eligible for services under this proposal. The average per member per month (PMPM) payment for SUD participants is \$819. This PMPM was calculated using fee-for-service expenditure data and includes a SUD treatment cost. The total cost for this population is \$5,131,994 in year one (10 months).

Of the \$819 PMPM for SUD participants \$259.83 is for SUD treatment cost. These costs would be in the Department of Mental Health (DMH) budget and are removed from the total cost for the MO HealthNet fiscal note. Therefore, the total cost that **DMH** would cover for this SUD treatment would be **\$1,629,134** in year one (10 months). Overall, the cost that **MHD** would incur in year one (10 months) for SUD treatment would be **\$3,502,860** (\$5,131,994 - \$1,629,134).

A portion of these costs would be funded from the Federal Reimbursement Allowance (# 0142) as well as the Rebate Fund (#0114).

A 3.8% inflation factor was added to the PMPM for the second and third year.

The second year cost is estimated to be \$9,453,521 and the third year cost is estimated to be \$9,881,376.

ASSUMPTION (continued)

If the proposed legislation passes, a waiver would be required to extend the current 60 day postpartum coverage for SUD treatment to one year.

FY19 (10 mo.) Total: \$3,502,860 (GR \$1,124,329; FF \$2,106,779;  
Other (FRA/Rebate) \$271,752);

FY20 Total: \$9,453,521 (GR \$2,968,667; FF \$5,562,721; Other (FRA/Rebate) \$922,133);

FY21 Total: \$9,881,376 (GR \$3,086,241; FF \$5,783,032; Other (FRA/Rebate) \$1,012,103).

Officials from the **DSS**, **FSD** and the **Division of Legal Services (DLS)** assume this section will not fiscally impact their divisions.

Officials from the **OA**, **B&P** state this section would increase the time allowance pregnant women receiving substance abuse treatment would be eligible for MO HealthNet. B&P defers to DSS and DMH for more specific information on the impact from this section.

§210.110 - Persons responsible for the care, custody, and control of a child shall include school personnel

In response to similar legislation from the current session (HB 1976/FN 5539.01), officials from the **DSS**, **CD**, the **Division of Youth Services** and the **DLS** assumed the proposal would not fiscally impact their agency.

In response to similar legislation from the current session (HB 1976/FN 5539.01), officials from the **Shell Knob School District #78** stated the proposal will likely result in an increased cost to the district to cover extra liability insurance.

In response to similar legislation from the current session (HB 1976/FN 5539.01), officials from the **Kirkville R-III School District** assumed this proposal would have an unknown negative fiscal impact on Kirkville schools if the personnel time is during the class day.

In response to similar legislation from the current session (HB 1976/FN 5539.01), officials from the **Summersville R2 School District** stated this proposal will have an unknown fiscal impact on their school district.

Officials from the **Department of Elementary and Secondary Education** and the **Wellsville-Middletown R-1 School District** each assume the proposal would not fiscally impact their respective agencies.



ASSUMPTION (continued)

§210.514 - Prohibition to being foster parents if receiving public assistance benefits

**DSS, CD** officials state this bill creates a new section 210.514 which prohibits an individual from eligibility to become a foster parent if he or she currently receives any public assistance benefits including, but not limited to, supplemental security income (SSI), MO HealthNet benefits, child care subsidy benefits, or supplemental nutrition assistance program (SNAP) benefits.

Currently out of 6,303 foster homes, 953 (15.12%) are receiving some kind of public benefit. 3,105 of these homes are relative or kinship with 734 of these (23.64%) receiving some kind of public benefit. There are approximately 2.5 children placed in each relative home. The remaining 3,198 are foster homes with 219 of these (6.8%) receiving some kind of assistance. There are approximately 2 children placed in each of these foster homes. This will mean the disruption of approximately 2,273 foster placements.

If this legislation is enacted, the CD would need to recruit and train 953 new foster homes, and potentially many of the children currently placed with relatives might end up in a regular foster home or a residential home.

In current statute, section 210.565 and related CD policy, gives preference to grandparents and other relatives. Subsection 1 provides that *"Whenever a child is placed in a foster home and the court has determined pursuant to subsection 4 of this section that foster home placement with relatives is not contrary to the best interest of the child, the children's division shall give foster home placement to relatives of the child."*

The average cost for the initial screening, assessment and training of a new foster home is \$1,412. The cost for screening, assessment and training of 953 new foster homes would be approximately \$1,345,636 ( $\$1,412 * 953$ ).

It is anticipated that some children will not have another foster placement readily available. When this occurs, children must be placed in emergency residential care until a foster placement can be secured. The CD estimates that anywhere from 10% to 25% of children will require 60 days of emergency residential care with an estimated cost of \$1,937,551 to \$4,843,877.

**Oversight** notes from information provided by DSS, the emergency daily rate for residential placement of a child is \$142.07. Therefore, the estimated cost for emergency residential placement is \$8,524 per child (60 days \* \$142.07 = \$8,524 (rounded down)). Assuming 10% of children currently placed in a foster care home are placed in a home that receives some type of public assistance, CD estimates a lower range cost of \$1,937,551 ( $\$8,524 * 2,273$  children \* 10%); assuming 25% of children are in foster care homes receiving public assistance benefits, the CD estimates a high range for costs of \$4,843,877 ( $\$8,524 * 2,273$  children \* 25%). These costs are split approximately 55% GR/45% Federal.

ASSUMPTION (continued)

§210.790 - Notice of Hearing for Child

**DSS, DLS** officials state the DLS provides legal advice and representation to the DSS. DLS defers to CD, MHD, and FSD for any fiscal impact this legislation may have on their respective departments.

The Children's Division (CD) estimates that 953 foster homes currently receive public assistance and may no longer qualify in the future for a foster parent license. Under current law, foster parents have the right to request an administrative hearing when the Department revokes a foster home license; current foster parent license(s) will be impacted by the legislation. The DSS, CD will probably require legal representation at these hearings, meaning that DLS/Litigation may have to assign legal counsel to represent CD at up to 953 administrative hearings. DLS does not anticipate that all licensees will request a hearing, but DLS does not have sufficient hard data to estimate how many hearings will take place. Assuming that 25% of the licensees request a hearing, DLS would need legal counsel to handle about 238 administrative hearings in the first year after the legislation became effective (953 foster homes \* 25% = 238). DLS/Litigation expects that each case will take an average of about 4 hours of time to prepare and handle the hearing, or a total of approximately 953 hours or 0.5 FTE attorneys in the first year. DLS expects that the number of hearing requests in subsequent years will taper off significantly as the cases work through the system and DLS anticipates that it will be able to handle the work with current staffing levels. DLS suggests that the best way to handle the additional work in the first year would be to allocate Equipment and Expense (E&E) funds for representation through contracts with local attorneys. The estimated cost to E&E based on these assumptions would be 953 hours times \$100/hour for a total of \$9,530 plus \$500 in costs for a total estimate of \$10,030.

DLS further expects expenses in the form of legal challenges as a result of this legislation. Supplemental Security Income (SSI), for example, is generally granted on the basis of disability; both the Rehabilitation Act (29 USC Sec. 794) and Title II of the Americans with Disabilities Act (42 USC. Secs. 12131-12134) prohibit discrimination on the basis of disability. CD may be subject to litigation as a result of denying a foster parent license on the basis of receipt of SSI granted for disability. Additionally, other benefits become available with age, such as Medicare and Social Security. If CD denies a foster parent licensure on the basis of receipt of these benefits, CD may be subject to litigation on the basis of age discrimination. CD and DLS anticipate that such litigation would be handled by the Attorney General's Office.

**Oversight** assumes the DLS would absorb the additional hearings within current funding/staffing levels and would not need additional resources for this portion of the proposal.

Officials from the **Office of Attorney General (AGO)** assume any potential costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation.

ASSUMPTION (continued)

DSS officials submitted the response for **Office of Administration (OA), Information Technology Support Division (ITSD)/DSS**. ITSD assumes that every new IT project/system will be bid out because all ITSD resources are at full capacity. The current contract rate for IT consultants is \$75 per hour.

System changes will be required for the Missouri Eligibility Determination and Enrollment System (MEDES) for provisions in 208.151 and for the Family and Children Electronic System (FACES) for provisions in 205.151 and 210.514. One-time costs for FY19 are estimated to be \$63,909 (852.12 hrs \* \$75/hr); \$21,989 GR/\$41,921 Federal.

For fiscal note purposes, **Oversight** will document ITSD contract consultant costs by section:

§208.151 - GR \$15,120; Federal \$35,829

§210.514 - GR \$6,869; Federal \$6,091

Bill as a whole

Officials from the **Office of State Public Defender (SPD)** state, for the purpose of this proposed legislation, the SPD cannot assume that existing staff will provide competent, effective representation for any new cases where indigent persons are charged with the proposed new crime of not preserving information with regard to a child abuse case, a new Class A misdemeanor.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases.

**Oversight** assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Office of State Courts Administrator (OSCA)** state this proposal may have some impact, but there is no way to quantify that impact at the present time. Any significant changes will be reflected in future budget requests.

Officials from the **Department of Health and Senior Services**, the **Department of Corrections**, the **Department of Public Safety**, **Missouri State Highway Patrol**, the **Joint Committee on Administrative Rules**, the **Missouri Office of Prosecution Services**, the **Springfield Police Department** and the **St. Louis County Department of Justice Services** each assume the proposal would not fiscally impact their respective agencies.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the following **school districts**: Alton R-IV, Arcadia Valley R-2, Ash Grove R-IV, Ava R-1, Avilla R-13, Bakersfield R-4, Belton School District #124, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Bradleyville R-1, Branson, Brentwood, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Concordia R-2, Couch R-1, Crawford County R-1, Crawford County R-2, Crocker R-II, Delta C-7, East Carter R-2, East Lynne 40, East Newton R-6, Eldon R-I, Fair Play, Fayette R-3, Forsyth R-3, Fox C-6, Fredericktown R-I, Fulton, Gasconade County R-1, Glenwood R-8, Grain Valley, Green City R-1, Green Ridge R-8, Hallsville R-IV, Hancock Place, Hannibal School District #60, Harrisonburg R-8, Harrisonville, Hartville R-11, Hazelwood, Henry County R-1, Hillsboro R-3, Holcomb R-III, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jasper R-5, Jefferson City, Kansas City, Kennett #39, King City R-1, Kirbyville R-VI, Lafayette Preparatory Academy, Lathrop R-2, Lee Summit, Leeton R-10, Lewis County C-1, Liberty, Lincoln R-2, Lindbergh, Livingston County R-III, Lonedell R-14, Macon County R-1, Macon County R-IV, Madison C-3, Malta Bend, Maplewood Richmond Heights, Marshfield R-1, Maryville R-II, Maysville R-1, Meadville R-IV, Mehville School District R-9, Meramec Valley R-3, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Miller R-11, Moberly, Montgomery County R-11, Morgan County R-2, Mountain Grove R-III, Mt. Vernon R-V, New Bloomfield R-III, New Haven, Niangua R-5, Nixa, North Harrison R-3, North Kansas City, North St. Francois Co. R-1, Northeast Nodaway R-5, Northwest R-1, Oak Ridge R-6, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osage County, Osage R-2, Osborn R-O, Parkway, Pattonville, Pettis County R-12, Pierce City R-6, Plato R-5, Polo R-VII, Prairie Home R-5, Princeton R-5, Purdy R-II, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Republic R-III, Rich Hill R-IV, Richards R-5,

ASSUMPTION (continued)

Richland R-1, Richmond R-XVI, Riverview Gardens, Rockwood School District, Salisbury R-4, Sarcoxie R-2, Scotland County R-I, Scott City R-1, Sedalia, Seymour R-2, Sherwood Cass R-5, Sikeston, Silex, Smithville R-2, South Harrison R-11, Southland C-9, Sparta R-III, Special School District of St. Louis County, Spickard R-II, Spokane R-VII, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Stanberry R-III, Stewartsville C-2, Sullivan, Sweet Springs, Trenton R-1x, Valley Park, Valley R-6, Verona R-7, Warren County R-3, Warrensburg R-6, Warsaw R-IX, Waynesville, Webster Groves, Wentzville R-IV, West Plains R-VII, Westran R-1, Westview C-6, Willard R-2 and the Wright City R-2 School District did not respond to **Oversight's** request for fiscal impact.

Officials from the following **law enforcement agencies**: the Ashland Police Chief, Boone County Sheriff's Department, Branson Police Department, Buchanan County Sheriff's Department, Cass County Sheriff's Office, Clark County Sheriff's Department, Clay County Sheriff's Department, Cole County Sheriff's Department, Columbia Police Department, Greene County Sheriff's Department, Independence Police Department, Jackson County Sheriff's Department, Jasper County Sheriff's Department, Jefferson City Police Department, Jefferson County Sheriff's Department, Joplin Police Department, Lawrence County Sheriff's Department, Platte County Sheriff's Department, St. Charles Police Department, St. Joseph Police Department, St. Louis County Department of Police and the St. Louis Metropolitan Police Department did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>GENERAL REVENUE</b>			
<u>Revenue Reduction</u> - tax credit for 50% of a contributions to a diaper bank (§135.621) p. 5	\$0	(Up to \$500,000)	(Up to \$500,000)
<u>Costs - DSS (§208.151)</u>			
Postpartum care coverage through end of 12 months for SUD treatment p. 8	(\$1,124,329)	(\$2,968,667)	(\$3,086,241)
<u>Costs - DMH (§208.151)</u>			
Increase in substance abuse disorder treatment for pregnant women through end of one year after birth p. 6	(\$566,890)	(\$1,529,922)	(\$1,599,165)
<u>Costs - OA, ITSD (§208.151) MEDES &amp; FAMIS system changes p. 11</u>			
	(\$15,120)	\$0	\$0
<u>Costs - DSS (§210.514)</u>			
Foster care home screening & training	(\$793,925)	\$0	\$0
Emergency residential care for children	<u>(\$1,026,902 to \$2,567,255)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Costs</u> - DSS (§210.514) p. 9	<u>(\$1,820,827 to \$3,361,180)</u>	<u>\$0</u>	<u>\$0</u>
<u>Costs - OA, ITSD (§210.514)</u>			
FAMIS system changes p. 11	(\$6,869)	\$0	\$0
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$3,534,035 to \$5,074,388)</u></b>	<b><u>(Up to \$4,998,589)</u></b>	<b><u>(Up to \$5,185,406)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>FEDERAL REIMBURSEMENT ALLOWANCE FUND (#0142)</b>			
<u>Costs - DSS (§208.151)</u>			
Postpartum care coverage through end of 12 months for SUD treatment p. 8	<u>(\$250,549)</u>	<u>(\$676,182)</u>	<u>(\$706,785)</u>
<b>ESTIMATED NET IMPACT ON THE FEDERAL REIMBURSEMENT ALLOWANCE FUND</b>	<b><u>(\$250,549)</u></b>	<b><u>(\$676,182)</u></b>	<b><u>(\$706,785)</u></b>
<b>PHARMACY REBATES FUND (#0114)</b>			
<u>Costs - DSS (§208.151)</u>			
Postpartum care coverage through end of 12 months for SUD treatment p. 8	<u>(\$21,203)</u>	<u>(\$245,951)</u>	<u>(\$305,318)</u>
<b>ESTIMATED NET EFFECT ON THE PHARMACY REBATES FUND</b>	<b><u>(\$21,203)</u></b>	<b><u>(\$245,951)</u></b>	<b><u>(\$305,318)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>FEDERAL FUNDS</b>			
<u>Income - DSS (§208.151)</u>			
Increase in program reimbursements	\$2,106,779	\$5,562,721	\$5,783,032
<u>Income - DMH (§208.151)</u>			
Increase in program reimbursements	\$1,062,244	\$2,866,785	\$2,996,532
<u>Income - OA, ITSD (§208.151)</u>			
Reimbursement for system changes	\$35,829	\$0	\$0
<u>Income - DSS (§210.514)</u>			
Increase in program reimbursements	\$1,462,360 to \$2,828,333	\$0	\$0
<u>Income - OA, ITSD (§210.514)</u>			
Reimbursement for system changes	<u>\$6,091</u>	<u>\$0</u>	<u>\$0</u>
<u>Total All Income</u>	<u>\$4,673,231 to</u> <u>\$6,039,276</u>	<u>\$8,429,506</u>	<u>\$8,779,564</u>



<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>FEDERAL FUNDS (continued)</b>			
<u>Costs - DSS (§208.151)</u>			
Postpartum care coverage through end of 12 months for SUD treatment	(\$2,106,779)	(\$5,562,721)	(\$5,783,032)
<u>Costs - DMH (§208.151)</u>			
Increase in substance abuse disorder treatment for pregnant women through end of one year after birth	(\$1,062,244)	(\$2,866,785)	(\$2,996,532)
<u>Costs - OA, ITSD (§208.151)</u>			
MEDES and FAMIS system changes	(\$35,829)	\$0	\$0
<u>Costs - DSS (§210.514)</u>			
Foster care home screening & training	(\$551,711)	\$0	\$0
Emergency residential care for children	<u>(\$910,649 to \$2,276,622)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Costs</u> - DSS (§210.514)	<u>(\$1,462,360 to \$2,828,333)</u>	<u>\$0</u>	<u>\$0</u>
<u>Costs - OA, ITSD (§210.514)</u>			
FAMIS system changes	<u>(\$6,091)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>All Costs</u>	<u>(\$4,673,303 to \$6,039,276)</u>	<u>(\$8,429,506)</u>	<u>(\$8,779,564)</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 2019 (10 Mo.)	FY 2020	FY 2021
<b>LOCAL GOVERNMENTS - SCHOOL DISTRICTS</b>			
<u>Costs - School Districts (§210.110)</u>			
Increase in costs p. 8	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS - SCHOOL DISTRICTS</b>			
	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

This proposed legislation could impact any small business which makes a qualifying donation. If a qualifying donation is made, the small business could receive a tax credit valued at 50 percent of the donation. This tax credit can be used to offset some, or all state tax liability. As a result, the small business(s) could pay less in taxes. (§135.621)

FISCAL DESCRIPTION

For all tax years beginning on or after January 1, 2019, this act authorizes a tax credit in the amount of fifty percent of a contribution to a qualified diaper bank, as defined in the act. The tax credit shall not be refundable or transferrable, and shall not be carried forward to any other tax year. No tax credit shall be issued in excess of \$50,000, and the total amount of tax credits issued under this act shall not exceed \$500,000 in a given tax year.

The Department of Social Services shall annually determine which facilities in the state may be classified as a qualified diaper bank, and the Department shall publish a list of such qualified diaper banks. The Department shall submit an annual report to the General Assembly which shall list all qualified diaper banks that received contributions in the previous year, along with the number of taxpayers that received tax credit certificates.

This program shall sunset on December 31, 2024, unless re-authorized by the General Assembly. (§135.621)

This bill extends MO HealthNet benefits for pregnant women to receive substance abuse treatment, including opioid abuse treatment, for no more than twelve additional months as long as the woman remains adherent with treatment (§208.151)

FISCAL DESCRIPTION (continued)

This bill adds to the list of people responsible for the care, custody, and control of a child for purposes of child abuse: school personnel, contractors, or volunteers if the person has established a relationship with the child through the school or school-related activities, even if the alleged abuse or neglect by the school personnel, contractor, or volunteer occurred outside of school hours, off school grounds, or outside the scope of school functions. (§210.110)

This bill prohibits foster care providers from receiving public assistance benefits including, but not limited to, supplemental security income (SSI), MO HealthNet benefits, child care subsidy benefits, or supplemental nutrition assistance program (SNAP) benefits. (§210.514)

A current foster parent of a child, or any pre-adoptive parent or relative currently providing care for the child, shall be provided with notice of, and an opportunity to be heard in, any hearing to be held with respect to the child, and a foster parent shall have standing to participate in all court hearings pertaining to a child in [their] his or her care. A foster parent of a child in a juvenile court case under subdivision (1) or (2) of subsection 1 of section 211.031 shall have the right to intervene as a party upon motion. (§210.790)

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 Social Services -  
    Division of Finance and Administrative Services  
    MO HealthNet Division  
    Family Support Division  
    Children's Division  
    Division of Legal Services  
Department of Mental Health  
Department of Revenue  
Department of Insurance, Financial Institutions and Professional Registration  
Office of Attorney General  
Department of Elementary and Secondary Education  
Department of Health and Senior Services  
Department of Corrections  
Department of Public Safety -  
    Missouri State Highway Patrol  
Joint Committee on Administrative Rules

SOURCES OF INFORMATION (continued)

Missouri Office of Prosecution Services  
Office of Administration -  
    Division of Budget & Planning  
    Information Technology Services Division/DSS  
Office of State Courts Administrator  
Office of Secretary of State  
Office of State Public Defender  
Springfield Police Department  
St. Louis County Department of Justice Services  
Kirksville R-III School District  
Shell Knob School District #78  
Summersville R2 School District  
Wellsville-Middletown R-1 School District

Ross Strope



Acting Director  
April 5, 2018