

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0808-02
Bill No.: HCS for HB 229
Subject: Children and Minors; Family Law; Domestic Relations
Type: Original
Date: February 27, 2019

Bill Summary: This proposal establishes a rebuttable presumption that child custody arrangements that award equal parenting time are in the best interest of the child.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In response to a previous version, officials at the **Department of Social Services (DSS)** assumed the following:

Family Support Division (FSD)

Section 452.375.2:

Income Maintenance (IM):

The FSD has policies and procedures in place regarding custody arrangements in determining eligibility for all public assistance programs FSD administers. The provisions of this bill do not alter the eligibility criteria for any public assistance programs FSD administers.

Therefore, there is no fiscal impact to Income Maintenance.

Child Support (CS):

Proposed sections 452.375.2 requires courts to award parents equal parenting time (i.e., 50/50 visitation) unless the presumption is rebutted by preponderance of the evidence. FSD child support assumes that if this bill passes most judicial orders will include equal parenting time for each parent. The directions for the Civil Procedure Form No. 14 allow a 34% visitation credit for a parent who has 181-183 overnight visits with his/her child (i.e., 50/50 visitation) up to 50% credit if the court determines the credit is unjust and inappropriate. A 50% visitation credit may result in a \$0 obligation. Today, courts may enter no parenting time up to equal parenting time. Likewise, the court may order no credit for visitation or credit up to 50% based on the circumstances of the party. Awarding equal parenting time in all orders and giving obligors a 34% to 50% visitation credit may reduce the child support obligations in Missouri judicial orders.

Since support amounts are assigned to the state when a parent and child receive Temporary Assistance for Needy Families (TANF), and all new orders may be reduced by a 34% up to 50% visitation credit, the state's ability to recoup TANF payments will be reduced. The state retains approximately 35% of all assigned collections in the Child Support Enforcement (CSEC) Fund; a reduction in the ability to recoup TANF expenditures will reduce the amount of assigned collections deposited into the CSEC fund that help fund the Child Support program.

In state fiscal year (SFY) 2018, there were 4,870 new judicial support orders entered in the Missouri Automated Child Support System (MACSS). FSD's caseload for state fiscal year 2018 was 327,872 cases of which 18,922 (or 6.0%) were TANF cases. Therefore, of the 4,870 new judicial orders entered in MACSS in SFY 2018, FSD assumes 6.0% or 292 were on TANF cases and the judicial current support obligations were assigned to the state. The total assigned support that accrued on those orders for SFY 2018 was \$255,829 with an average annual accrual per order amount of \$876 (\$255,829/292).

ASSUMPTION (continued)

Assuming that the number of TANF recipients remains static, FSD estimates the amount of support assigned to the state for the recoupment of TANF benefits would be reduced by up to \$255,829 per year which results in \$89,540 (\$255,829 x 35% (The Federal FMAP rate)) less that the state could potentially collect and retain as CSEC revenues.

The impact on CSEC revenues will be a range of \$0 (no change in the obligation) up to \$89,540 (assuming equal parenting time results in a \$0 obligation). This funding will need a general revenue pickup to keep the Child Support program operational. Therefore, the total fiscal impact to FSD is \$0 to \$89,540.

Oversight considers the fiscal impact estimated by DSS to be more of a potential indirect fiscal impact, depending upon the judgements of the courts, the current custody agreements of the parents, and the financial status of the parties. Therefore, Oversight will assume that the proposal will not have a direct fiscal impact on the state.

Officials at the **Department of Health and Senior Services** and the **Office of the State Courts Administrator** each assume there is no fiscal impact from this proposal.

In response to a previous version, officials at the **Department of Mental Health** assumed no fiscal impact from this proposal.

Oversight notes that the Department of Health and Senior Services, the Department of Mental Health and the Office of the State Courts Administrator have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<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

Currently, the court must determine custody that is in the best interest of the child. This bill establishes a rebuttable presumption, except in paternity actions, that an award of equal or approximately equal parenting time is in the best interest of the child, unless a preponderance of the evidence exists, as specified in these provisions. The bill clarifies that parenting time has the same meaning as visitation.

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
Department of Health and Senior Services
Department of Mental Health
Office of the State Courts Administrator



Kyle Rieman
Director
February 27, 2019

Ross Strobe
Assistant Director
February 27, 2019