

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1582-06
Bill No.: Perfected HS for HCS for HB 679 & 396
Subject: Children and Minors; Domestic Relations; Family Services Division
Type: Original
Date: April 14, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General*	(Unknown greater than \$18,535,825)	(Unknown greater than \$40,865,901)	(Unknown greater than \$41,852,248)
Total Estimated Net Effect on General Revenue Fund	(Unknown greater than \$18,535,825)	(Unknown greater than \$40,865,901)	(Unknown greater than \$41,852,248)

*Part of the cost is subject to appropriations. Some language in the proposal indicates “may” and other language indicates “shall”.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Health Initiative Fund	(\$7,311)	(\$7,311)	(\$7,311)
Criminal Record Systems	\$314,745	\$215,840	\$211,734
Urban and Teacher Education Revolving Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds	\$307,434	\$208,529	\$204,423

*Income and costs of approximately \$1,000,000 would net to \$0.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 24 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Income and expenses of unknown but exceeding approximately \$10,000,000 would net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0 to (\$1,219,876)	\$0 to (\$1,040,516)	\$0 to (\$1,040,516)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Prosecution Services**, the **Missouri Senate**, the **Missouri House of Representatives** and the **State Public Defender** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Health and Senior Services (DOH)** stated the DOH assumes that it would participate on the state and local teams for the purpose of developing uniform language for intake, assessment and other tools to be used with children. The DOH assumes it could absorb the additional costs.

The DOH states that Section 210.937 extends the Family Care Safety Registry to January 1, 2007. The DOH states there will no additional costs other than the current level of funding to operate the Registry. Therefore, fiscal impact reflects current program costs and no additional or increased funding for the program

ASSUMPTION (continued)

The **Office of Attorney General (AGO)** did not respond to our fiscal not request. However in a similar proposal, the AGO assumed that any potential costs arising from this proposal could be absorbed with existing resources.

Officials from the **Department of Mental Health (DMH)** assumes that the system of care required of the DMH and the Department of Social Services under Section 630.097 will create a fiscal impact upon the DMH due to the provision in Amendment 7 waiving the standards means test. Payments may currently be received at the facility and community program levels in the DMH and through services for children in the Department of Social Services under the standard means system. The DMH does not track the number of families currently paying a portion of the expenses associated with services received by children in their family. However, estimates indicate that services for every 500 non-Medicaid eligible individuals for whom the standard means test is waived would result in an expense of \$252,00 to the state. In this calculation the DMH has made the following assumptions:

Average family size of 3
Monthly income at 300% of Federal Poverty Level (FPL),
Individuals will receive on average, services for a period of six months.
The collection rate of billed charges will be 25%

Currently, application of the Standard Means Test is waived for all individuals that are Medicaid eligible.

Based on these assumptions, DMH will not bill and collect \$252,000 for each 500 individuals. Since DMH does not track the number of families currently paying for a portion of the expenses associated with services received by their children, we are unable to determine how many families will be impacted by waiving the standard means test. Therefore, the impact of this provision on the DMH is unknown but greater than \$100,000.

The DMH further states Section 208.152.1(19) which allows organizations licensed as defined in subdivision (6) of section 210.481, RSMo could have significant fiscal impact upon the DMH. This provision would require the DMH to reimburse for services provided by organizations defined in this section which are not regulated or certified by DMH, such as foster homes, residential care facilities or child placing agencies to provide services to children. The DMH is currently able to control its expenditures to community mental health centers and alcohol and

ASSUMPTION (continued)

drug abuse facilities through its current contracts. However, the organizations as defined in subdivision (6) would be permitted to directly bill the state Medicaid agency and DMH would then be required to furnish the state match, making it difficult to control spending. The DMH assumes this could create a substantial unknown fiscal impact upon the DMH. The fiscal impact is unknown since the number of service providers who may take advantage of this wording, as well as the service level mix to be provided, cannot be projected.

Oversight assumes Section 208.204 requires the DMH to provide services to children returned to the custody of a child's family but in need of mental health services. **Oversight** assumes the DMH will provide the care needed and bill the costs to the DOS. Depending on the number of children involved, the DMH may need additional resources to serve these children and there could be an administrative cost to do the billings. **Oversight** assumes the cost is unknown, greater than \$100,000.

Officials from the **Office of the Secretary of State (SOS)** state this proposal creates various foster care changes. The Department of Social Services could promulgate rules to enact this legislation. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Social Services could require as many as 30 pages in the *Code of State Regulations*. For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$1,8450 [(30 pp x \$27) + (45 pp x \$23)].

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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Elementary and Secondary Education (DESE)** states it would object to being included in the requirement for monthly meetings per Section 210.518, but would assume this would have no fiscal impact.

The DESE states Section 211.032 would allow any child upon request of the foster family to be ASSUMPTION (continued)

permitted to continue to attend the same school that the child was enrolled in and attending at the time the child was taken into custody by the DFS. The DESE states costs related to this provision are unknown but could be significant. In addition, the DESE states it is not clear who would be responsible for these costs. The DESE estimates transportation costs could easily be \$100 per child per day for 174 days of the school year.

Oversight assumes that in most cases, the DFS would place a child in foster care in the same school district the child was attending, thereby minimizing transportation costs.

The DESE states Section 168.283, requires that prior to employment, no school employee shall have unsupervised contact with pupils until the individual has obtained a criminal history background check. DESE states, for FY 2002, there were 124,465 pupil-contact individuals throughout the state's districts. At \$36 each for the national and state background checks, DESE estimates the cost to school districts to be \$4,480,740 (124,465 x \$36) in FY 04. Average turnover for teachers, administration, librarians, special services, and certified personnel in Missouri's elementary, junior high, and high schools is 22 percent. Assuming a 22 percent turnover rate, DESE estimates the cost for FY 05 to be \$5,466,503 (\$4,480,740 x 1.22) and the cost for FY 06 to be \$6,669,133 (\$5,466,503 x 1.22). The DESE states that no person employed by a school for less than two years, who has any negative history in his or her personnel file, shall have unsupervised contact with pupils until a criminal history background check has been conducted. The DESE assumes this will likely cause the number of background checks administered by the DESE to increase; however, DESE cannot estimate the level of that increase because it depends upon the interpretation of the term "negative history".

The DESE further states that any person, who is required to submit to a criminal background check, to register with the family care safety registry and access line pursuant to sections 210.900 to 210.937 in lieu of the required highway patrol background check. Sections 210.900 through 210.937 require criminal background checks to be performed by the Highway Patrol; therefore, the DESE assumes this would have no fiscal impact.

Oversight assumes a criminal history background check would be required for all persons employed for less than two years with a negative history and all persons with pupil contact new to the schools beginning January 1, 2004. The 2001-02 Report of Public Schools of Missouri issued in January, 2003, showed that there were 4,720 teachers with two or less years of experience. In addition, **Oversight** assumes a 22 percent turnover of all persons with pupil contact, or 27,382 (124,465 x 22%) per year. Therefore, **Oversight** assumes DESE would require 32,102 (4,720 + 27,382) background checks in FY 04 and 27,382 checks in FY 05 and

ASSUMPTION (continued)

FY 06. **Oversight** assumes the amount collected and passed through to the Missouri State Highway Patrol for criminal history checks to be \$1,219,876 (32,102 x \$38) in FY 04 and \$1,040,516 (27,382 x \$38) in FY 05 and FY 06. **Oversight** is showing the fiscal impact to school districts as a cost of \$0 to \$1,219,876 in FY 04 and \$0 to \$1,040,516 in subsequent years because the language is permissive. It would be a local school district decision as to how much of the cost to reimburse to the individuals.

Officials from the **Department of Public Safety - Missouri State Highway Patrol (MHP)** assume that the school districts will elect to have a fingerprint background check done at the state level, rather than allow the applicant to register with the Family Care Safety Registry, even though this legislation allows a choice of either one. MHP assumes this because a fingerprint check is the most thorough check that can be done on an individual (especially when combined with the FBI fingerprint check) and it will give the most complete criminal history possible on the applicant. Based on this assumption, the MHP's impact will be on fingerprint checks of an applicant and not the applicant registering with the Family Care Safety Registry.

Oversight provided the MHP with numbers based on the new wording of the legislation (32,108 individuals). The MHP used the number of individuals that Oversight provided for the purpose of this fiscal note.

INFORMATION SYSTEMS DIVISION

The MHP's Information Systems Division anticipates an increase in the number of additions and modifications at the State Data Center based on the number of checks created by the proposed legislation. MHP estimates the number of fingerprint backgrounds would increase by 83,340 in the first year (32,108 + 51,232). After the initial onset of backgrounds, it is estimated that there would be 46,542 (27,382 + 19,160) each year. This would require 64,179 applicant/participant records be created and modified in the first year, and 46,542 to be modified annually.

The MHP estimates State Data Center charges of \$4,481 in FY 04 and \$3,249 in FY 05 and FY 06.

CRIMINAL RECORDS AND IDENTIFICATION DIVISION

The Patrol's Criminal Records and Identification Division would require 5 new FTE as a result of the proposed legislation. These FTE would be placed on shifts as needed. It is expected that most of the FTE would be 2nd and 3rd shift employees, so they would not require any equipment. However, if any are placed on the 1st shift, standard equipment will be needed at a cost of \$3,339 per FTE (one time) and \$635 per FTE (recurring)

ASSUMPTION (continued)

These FTE would be 3 Fingerprint Technicians, 1 AFIS Entry Operator, and 1 Fingerprint Technician Supervisor.

Fingerprint checks for DESE would be \$38. Fingerprint checks are \$24 for DOS because of an arrangement worked out between DOS and MHP for foster parents only. The MHP does not require foster parents to pay for the state portion (\$14) of their background checks.

Officials from the **Department of Social Services - Division of Family Services (DFS)** state:

Section 207.060.1

The DFS states this statute has been amended to require the director of the family support division to operate and maintain, on a full time basis, a county office in every county. This is included in the FY 03 budget, however funds have been core cut for FY 04 in the governor's budget proposal. The core cut proposed for FY 04 was \$358,233 GR, \$184,729 Federal, and \$7,311 HIF.

Section 207.085

The DFS states the language in this section which holds staff criminally liable under certain circumstances, necessitates the purchase of liability insurance for staff as well as the need to fully staff child welfare in those areas that are not to be privatized. The DFS states Section 207.085.4 makes allowances for those instances in which caseload standards are exceeded as this may be considered a mitigating factor in determining whether an employee is dismissed.

Section 208.047.3

Provides that medical assistance for a child in foster care may extend past the child's 18th birthday if they are enrolled in and attending post secondary education until the education is completed or age 21, whichever occurs first or if enrolled in post-secondary education, completing 12 credit hours per semester, the medical assistance would continue until age 23 or completion of the education. This section is subject to appropriation.

Section 208.204

The DFS states this section requires that the Department of Mental Health may bill DFS for those children identified as being in the custody of DFS solely for the purpose of mental health issues where no abuse or neglect has occurred. It is unknown what the fiscal impact of this would be however, if only 2 children were in residential treatment psychiatric level for 1 entire year the cost would be in excess of \$100,000; therefore, this component of the fiscal note is unknown greater than \$100,000. Furthermore, since this section requires DOS to pay for children once

ASSUMPTION (continued)

they are returned to the custody of their parents and most would lose their Medicaid eligibility, the entire funding source would become DFS.

Section 208.204.2

Requires DOS to determine which children are in custody due solely to mental health needs.

Section 208.204.3

Subject to appropriations, DMH shall have the responsibility for providing services to children in the least restrictive, appropriate environment.

Section 210.025

Almost all references of DFS probable cause finding of child abuse or neglect would be replaced with a raised standard of proof, "preponderance of evidence." This proposed legislation requires DFS to base a finding of child abuse or neglect on preponderance of evidence, which is a higher standard of proof typically found in most civil courts.

Preponderance of evidence requires more evidence resulting in a need for staff to be certified forensic investigators. Training for such specialization is provided by "Finding Words", currently being utilized by CACs in Missouri. Cost is \$475 per trainee. As of Fiscal Year 2003, Missouri has a total of 1,384.42 workers budgeted. The number of staff needed to be fully staffed statewide is 463.58; however the privatization of St. Louis City, Greene County, and the 37th Judicial Circuit will result in a core reduction of 187 workers or a net need of 276.6 staff. The fiscal impact for training the 1,661 staff (1,384.42 + 276.6) is \$788,975 initial training costs. Social Service Worker turnover is approximately 20% per year, therefore, ongoing training for subsequent years is also included in the fiscal note.

Section 210.109.3(8)

The DFS states this requires that whenever possible the DFS will contract for the provision of children's services through private providers but also requires that the state shall be responsible for representation to the court for children in the custody of the division. .

Section 210.111

The DFS states this provision requires that by January 1, 2004, the Division will identify all children in its custody receiving foster care services and report the type of foster care and status of all children.

Section 210.112

This proposal would require the DFS to contract for services which are currently provided by ASSUMPTION (continued)

DFS staff. A portion of those staff will need to remain to provide technical support and oversight of the contracted agencies. DFS staff will need to determine which agency shall provide services in the event of multiple awards. Initially staff of contracted agencies would need to be trained on DFS policy. Training would have to be provided on an on-going basis as policy changes. In addition, DFS staff would be needed to monitor outcomes, evaluate the performance of each contracted agency, make payments, and enter information into the DFS's database for the purposes of Federal reporting, payments etc. (The latter assumes the contracted agencies will not have access to the DFS's database. There is cost associated with dial-up accessibility. In addition, there would have to be accountability for the budget if contracted agencies were given the authority/access to authorize payment of children's treatment services.) Finally, DFS staff are federally mandated to sign each case plan. Several of these tasks are included in a supervisor's role. As such, DFS staff need to remain at the equivalent of 1 per every 7 contracted workers.

The provisions of this section are subject to appropriation.

This proposal requires the DFS to contract out all services, except for child abuse and neglect, currently provided by the Division of Family Services through a competitive bid process. Services are to be provided by public and private agencies not for profit or limited liability corporations owned by not-for-profit corporations. The counties of Greene, St. Louis City and a rural site are named.

The proposal refers to services provided to children in the custody of DFS but further defines those services to include services provided to intact families such as family reunification, family-centered and intensive in-home services.

The privatization period runs from July 1, 2004 through June 30, 2006.

The DFS states staff would have to be terminated as caseloads would have to be maintained until the transition which would not allow for staff to be lost through attrition. A plan for such would have to be created. Staff would later have to be hired due to the sunset clause. The training unit would have to be increased, decreased, and then increased again to accommodate the volume of the training needs of newly hired staff by the contracted agencies and the Division.

This section also requires that each county submit a plan for implementation of the project. The plan shall be developed by a Privatization Pilot Project Planning Panel appointed by the governor including DFS staff, private agency, department of mental health and community partnership agency. The chief justice of the supreme court will appoint a representative from a private agency, the judicial circuit, an attorney representing parents, volunteer advocates or GALs, and a ASSUMPTION (continued)

child advocacy group. The panel will also include two members of the senate and two members of the house of representatives. Appointments to the local panels shall be made by September 1, 2003 and each panel shall convene at least once before October 1, 2003.

All court personnel, GALs, CASAs and judges must be trained on the Structured Decision Making model.

An evaluation of the success of this pilot is required as well as a recommendation of its continuance or expansion. The evaluation shall be based on objective, consistent, and performance-based criteria. On or before July 15, 2005 and annually thereafter, the division and the courts will submit a report to the general assembly.

By contracting services out, offices may need to move as there would be a reduction in staff.

There is a sunset clause with an end date of June 30, 2006 which would require the Division to provide services after that time. In order to handle the influx of work, the DFS would have to begin hiring staff months prior to the June 30, 2006 date to accomplish the training that would be required. Costs to the state are increased by letting trained staff go, training contracted staff and later training DFS staff, and paying for staff of contracted agencies to attend training (a direct per diem cost is reflected in current contracts for the days spent in basic training). The potential cost to children and families is a lack of continuity which naturally occurs during such a transition.

Because both Greene County and St. Louis City staff are in state-owned facilities, no decrease in rent has been taken. In addition, due to expiring leases that are being renegotiated elsewhere in the state, rent reductions were not taken in the 37th circuit.

In the event contracted agencies do not perform well, there can be financial penalties to the State for permanency outcomes and other outcomes which are addressed in the Child and Family Service Reviews. There is a risk to the State, and no risk to the contracted agencies as the legislation is written.

There is also the cost to the state simply for contracting for the services.

The number of staff needed to perform case management functions was multiplied by \$30 per day, the 14 families they will carry at any given time, and the number of days in the year (365). The number of staff needed to provide intensive in-home services was multiplied by \$164 per day, the number of families they will serve annually, and the number of days in the year (365). The number of staff needed to provide Family Reunification services was multiplied by \$155 per ASSUMPTION (continued)

day, the number of families they will serve annually, and the number of days in the year (365). The number of staff needed for each program is based on Council on Accreditation standards, with the exception of case management. The current case management contracts allow contracted agencies to carry a caseload of 14 families which exceeds the COA standard of 12. It is also based on the number of families served during the previous state fiscal year. This section allows private agencies to manage up to 30 cases per caseworker. It has been the experience of the DFS that the current contractors the DFS has providing this services do not exceed 12 cases per caseworker as these are the Council on Accreditation Standards. Further, the DFS is unaware of any other agencies who would be willing to manage that number of cases per staff person at the DFS current contracted rate of \$30 per case per day. However, the families which were on a waiting list for Intensive in-home services during the previous state fiscal year were added to the proposed number of families that will be served during calendar year 2004 and 2005.

It was presumed the Division staff which currently serve the Independent Living program would be replaced with contracted staff at comparable salaries.

It was presumed that an independent evaluation would be required to provide an overall assessment of the quality of services and make a recommendation to the general assembly. This cost of \$30,000 was calculated at an amount comparable to previous evaluations of child welfare services.

Foster/adoptive parent recruitment and retention is a duty of the DFS's alternative care staff. As such, this service is already figured in to the cost for contracted case management services.

Residential care and mentoring services are provided through contracted agencies already. There is no impact as the result of their inclusion in the case management plan.

While training costs could increase, contracted agencies may hire trained child welfare staff. These costs could also increase in the event the contracts are terminated at the end of the 2 year pilot. Since the actual training needs are not known the fiscal impact was not determined.

Incentives to the contracted providers were not calculated as this is to correspond to cost savings to the state.

Section 210.147.2

This sections allows all meetings and hearings related to the removal of a child from his/her home by a juvenile officer or the division to be recorded by the child, parent, or any party through audiotape, videotape, or both and shall be transcribed by the division at the expense of ASSUMPTION (continued)

the requesting party upon order of a court. The recordings will be maintained by six months after the case is closed by the division

Section 210.152

This section also revises the procedures for requesting a review of a child abuse finding by the Child Abuse and Neglect Review Board and allows the petitioner to change venue for circuit court de novo proceedings.

Section 210.183

The DFS state this section has additional revisions to changing the definition of "probable cause" to "preponderance of the evidence."

Section 210.482

When emergency placement of a child must occur, law enforcement or the juvenile office must conduct a name-based search of the Missouri and National Crime Information Center immediately.

This section allows the juvenile court or DFS to request local or state law enforcement to do a name-based criminal history record check, including orders of protection and outstanding warrants of each individual 18 years of age or older using MULES or the National Crime Information Center (NCIC) if there is an emergency placement of a child in a private home. If the name-based search is conducted, within five business days after the emergency placement of the child, all individuals age 18 or over residing in the home shall provide two sets of fingerprints and accompanying fees to a local law enforcement agency. One set of prints is used by the Highway Patrol to search the criminal history repository and the second is forwarded to the FBI for search of federal criminal history files. Results will be provided to the office requesting the information. If any individual in the home refuses to provide fingerprints, the individual shall cease residence in the home or the child shall be immediately removed. It is unclear if the information received will include information from the Sex Offender Registry.

It should be noted that Highway Patrol has stated the cost for fingerprinting is \$38 to cover both the Highway Patrol finger print check (\$14) and the FBI check of (\$24). The DFS assumes that the \$14 will continue to be waived for foster parents.

In FY 2002, the Division of Children's Services was responsible for licensing, maintaining and re-licensing approximately 16,036 foster, relative, adoptive, and group homes. Each licensure and re-licensure requires a criminal history record check of every person in the home 18 years or over. Currently, these name-search checks are run through the Highway Patrol and the ASSUMPTION (continued)

customary fee of \$5 per request is waived through an agreement between the Division of Children's Services and the Highway Patrol. This proposal indicates the cost for fingerprint checks is not to exceed \$14 for every in state fingerprint request. The DFS assumes, based upon information from the Highway Patrol that this will be waived for foster and adoptive parents. In addition, a \$24 fee will be required to process the FBI fingerprint check. Currently, this expense is not included in the DFS budget.

Section 211.181.1(6)

Requires the Department of Social Services and Department of Mental Health to submit amendments to state plans and seek available waivers in order to enhance federal financial participation for children's programs.

Section 630.210.5

Requires the Department of Mental Health to determine the maximum amount for services that will be charged in each residential facility, day program or special service. Also makes requirement of developing a reasonable standard means test to determine amount to be charged to persons receiving services. However, the standards means test will be waived for a child in need of mental health services to avoid inappropriate custody transfers to DFS.

Section 1

Requires the DFS to submit amendments to state plans and seek available waivers in order to enhance federal financial participation for foster care and adoption assistance. Further request the Department of Social Services to take steps necessary to qualify for receipt of any federal block grant moneys which are or will be available for foster care and adoption assistance.

Section 2.1. and Section 2.2

Requires the Division to utilize all reasonable and effective means available to conduct a diligent search for the natural parent or parents of children in the Division's custody as soon the Division is made aware of the existence of such parent. It is also mandatory for the division to report their progress on locating the parent at each court hearing.

Section 3

Requires the Department of Mental Health and the Department of Social Services to jointly prepare a plan to address the need for mental health services and support for children in DFS custody for the sole purpose of mental health services and children determined by the court to need mental health services. The plan shall be completed on or before January 1, 2004.

ASSUMPTION (continued)

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state that the total cost for foster children ages nineteen to twenty-one for FY 04 could be as much as \$1,287,724 if every child in foster care would qualify for this proposal. The DMS determined this cost by taking the number of eligibles times the annual cost. The DMS used an inflation forecast of 4.5% for FY 05 and FY 06.

DMS states federal legislation, the Omnibus Reconciliation Act of 1989, provides medical coverage for individuals up to the age of twenty-one through the EPSDT program. Therefore, medical assistance provided to children from age twenty-one until age twenty-three would not be eligible for federal financial participation and would be entirely funded with General Revenue.

The DMS state the cost per foster care child in FY 2002 was \$4,650. If there were only 22 children affected by this proposal, the cost would be \$102,300. Therefore, the fiscal impact to the DMS for the children twenty-one to twenty-three would be unknown, greater than \$100,000.

Oversight notes that Section 208.047.3 states that the medical assistance "may extend past the child's eighteenth birthday..." and Section 208.047.4 states "this section shall be subject to appropriation". Oversight will present the DMS costs.

Officials from the **Office of State Courts Administrator (CTS)** state that this proposal would make numerous changes in the laws relating to foster care, and create new responsibilities and time frames for the courts and court clerks.

The CTS does not know what the fiscal impact would be, but it could be substantial. The CTS states any significant increase in the workload of the CTS will be reflected in future budget requests.

Officials from the **Department of Corrections (DOC)** state this proposal relates to the state foster care system. The proposal on its own has no fiscal impact for the DOC, however Section 207.085.2 includes a criminal criteria pursuant to "endangering the welfare of a child II". The DOC states employees violating child protective services rules/laws, as defined, would now be subject to not only dismissal, but criminal charges as well -- a class A misdemeanor.

The DOC states that currently, the DOC cannot predict the number of new commitments which may result from the enhancement of the offenses(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

ASSUMPTION (continued)

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY02 average of \$3.10 per offender, per day or an annual cost of \$1,132 per offender).

In summary, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

This proposal would affect Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE			
<u>Costs - Department of Health and Senior Services</u>			
Program costs (Family Care Registry)	<u>(\$333,369)</u>	<u>(\$666,738)</u>	<u>(\$666,738)</u>
<u>Costs - Department of Mental Health</u>			
Loss of Revenue for SMT	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)
Increased Medicaid match	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)
Children released from DOS custody (Section 208.204)	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>
<u>Total Costs - Department of Mental Health</u>	(Unknown greater than \$300,000)	(Unknown greater than \$300,000)	(Unknown greater than \$300,000)

Costs - Department of Social Services -
 Division of Medical Services

Program costs -Children ages 19 up to the age of 21*	(\$0 to \$486,899)	(\$0 to \$508,809)	(\$0 to \$531,706)
Program costs - Children ages 21 through 23*	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>
<u>Total Costs - Department of Social Services - Division of Medical Services</u>	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)

*Subject to appropriations. Language in the proposal indicates "may".

Costs - Department of Social Services-
 Division of Family Services

Personal Service (470 FTE)	(\$6,667,388)	(\$8,200,887)	(\$8,405,909)
Fringe benefits	(\$2,698,292)	(\$3,318,899)	(\$3,401,872)
Expense and equipment	(\$4,343,243)	(\$1,907,615)	(\$1,964,842)
Background checks	(\$811,515)	(\$303,494)	(\$303,494)
Training	(\$433,763)	(\$104,145)	(\$107,269)
Evaluation	(\$19,800)	(\$19,800)	(\$19,800)
County offices	(\$358,233)	(\$358,233)	(\$358,233)
Billing to DFS	(Unknown greater than \$66,000)	(Unknown greater than \$66,000)	(Unknown greater than \$66,000)
Liability Insurance	(\$2,404,222)	(\$2,464,328)	(\$2,525,936)
Pilot project**	\$0	<u>(\$23,055,762)</u>	<u>(\$23,632,155)</u>
<u>Total Costs - Department of Social Services - Division of Family Services - CS</u>	(Unknown greater than \$17,802,456)	(Unknown greater than \$39,799,163)	(Unknown greater than \$40,785,510)

ESTIMATED NET EFFECT TO GENERAL REVENUE	(Unknown greater than \$18,535,825)	(Unknown greater than \$40,865,901)	(Unknown greater than \$41,852,248)
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**Subject to appropriations. Language in the proposal indicates "shall".

HEALTH INITIATIVE FUND

Costs - Department of Social Services-
 Division of Family Services

County offices	<u>(\$7,311)</u>	<u>(\$7,311)</u>	<u>(\$7,311)</u>
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ESTIMATED NET EFFECT ON HEALTH INITIATIVE FUND	<u>(\$7,311)</u>	<u>(\$7,311)</u>	<u>(\$7,311)</u>
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**CRIMINAL RECORD SYSTEMS
 FUND**

Revenues – Missouri State Highway
 Patrol

Fingerprint fees	\$2,449,672	\$1,500,356	\$1,500,356
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Costs – Missouri State Highway Patrol

Personal Service (5FTE)	(\$92,750)	(\$116,935)	(\$119,858)
Fringe Benefits	(\$37,536)	(\$47,324)	(\$48,507)
State Data Center charges	(\$4,481)	(\$3,249)	(\$3,249)
Pass through to FBI	<u>(\$2,000,160)</u>	<u>(\$1,117,008)</u>	<u>(\$1,117,008)</u>

<u>Total Costs – MHP</u>	<u>(\$2,134,927)</u>	<u>(\$1,284,516)</u>	<u>(\$1,288,622)</u>
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ESTIMATED NET EFFECT ON CRIMINAL RECORD SYSTEMS FUND	<u>\$314,745</u>	<u>\$215,840</u>	<u>\$211,734</u>
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**URBAN AND TEACHER
 EDUCATION REVOLVING FUND**

Income – Department of Elementary and
 Secondary Education (DESE)

Receipts for criminal history checks	\$1,219,876	\$1,040,516	\$1,040,516
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Costs – Department of Elementary and
 Secondary Education (DESE)

To Missouri State Highway Patrol for criminal history checks	<u>(\$1,219,876)</u>	<u>(\$1,040,516)</u>	<u>(\$1,040,516)</u>
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**ESTIMATED NET EFFECT ON
 URBAN AND TEACHER
 EDUCATION REVOLVING FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FEDERAL

Income - Department of Social Services -
 Division of Family Services

Federal Assistance	Unknown greater than \$9,171,146	Unknown greater than \$20,502,783	Unknown greater than \$21,010,903
Federal Assistance - Children ages 19 up to the age of 21	\$0 to \$800,825	\$0 to \$836,862	\$0 to \$874,521

Costs - Department of Social Services-
 Division of Family Services

Personal Service (470 FTE)	(\$3,434,715)	(\$4,224,699)	(\$4,330,317)
Fringe benefits	(\$1,390,029)	(\$1,709,736)	(\$1,752,479)
Expense and equipment	(\$2,237,428)	(\$982,711)	(\$1,012,191)
Background checks	(\$418,053)	(\$156,346)	(\$156,346)
Training	(\$223,453)	(\$53,650)	(\$55,260)
Evaluation	(\$10,200)	(\$10,200)	(\$10,200)
County offices	(\$184,729)	(\$184,729)	(\$184,729)
Billing to DMH	(Unknown greater than \$34,000)	(Unknown greater than \$34,000)	(Unknown greater than \$34,000)
Liability Insurance	(\$1,238,539)	(\$1,269,502)	(\$1,301,240)
Pilot project	<u>\$0</u>	<u>(\$11,877,210)</u>	<u>(\$12,174,141)</u>
<u>Total Costs - Department of Social Services - Division of Family Services</u>	(Unknown greater than \$9,171,146)	(Unknown greater than \$20,502,783)	(Unknown greater than \$21,010,903)

Costs - Department of Social Services -
 Division of Medical Services

Program costs - Children ages 19 up to the age of 21*	<u>(\$0 to \$800,825)</u>	<u>(\$0 to \$836,862)</u>	<u>(\$0 to \$874,521)</u>
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**ESTIMATED NET EFFECT ON
 FEDERAL FUNDS**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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*Subject to appropriations. Language in the proposal indicates "may".

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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POLITICAL SUBDIVISIONS

Costs – Local School Districts

Reimbursement to employees for criminal history checks	<u>\$0 to (\$1,219,876)</u>	<u>\$0 to (\$1,040,516)</u>	<u>\$0 to (\$1,040,516)</u>
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ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>\$0 to (\$1,219,876)</u>	<u>\$0 to (\$1,040,516)</u>	<u>\$0 to (\$1,040,516)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Section 168.283

States no person employed by a school after January 1, 2004, and no person employed by a school for less than 2 years who has a negative history in their personnel file, shall have unsupervised contact with pupils until a criminal history background check has been conducted.

Section 207.060

States the Director of the Family support division shall operate and maintain on a full time basis a county office in every county. To maintain these county offices, the DFS may accept moneys, services, or quarters as a contribution. Such funds shall be deposited in the proper special account in the state treasury, and become part of state funds appropriated for the use of the DFS.

DESCRIPTION (continued)

Section 207.085

DFS workers who knowingly or purposely violate any written policy, rule, or state law related to the child abuse and neglect activities of the DFS shall be grounds for dismissal if the violation results in serious injury or death results, the person shall be immediately dismissed. A person that violates this section shall be subject to criminal liability for endangering the welfare of a child and may be subject to additional criminal liability based on specific circumstances of the violation.

Section 208.047

Medical assistance may extend past the age of 18 for a child in foster care if the child is (1) attending a secondary school in which case the medical assistance shall continue until the child completes the program or reaches the age of 21 whichever occurs first, or (2) the child is enrolled in an institution of vocational or higher education in which medical assistance would continue until the child completes his or her education, or reaches the age of 23, whichever occurs first. This section is subject to appropriation.

Sections 208.152, 208.204, 211.181, and 630.097

Establishes a comprehensive mental health service system for children.

Sections 210.109

Requires mandatory reporters pursuant to section 210.115 shall not anonymously make a report. Requires whenever available and appropriate, the DFS contract for children's services thorough private providers except that the state shall be the sole provider of child abuse and neglect hotline services, the initial child abuse and neglect investigation, and the initial family assessment.

Section 210.111

Requires the DFS to identify all children in the custody of DFS receiving foster care services and the status of the children and report this to the general assembly.

Sections 210.110, 210.112

Subject to appropriations, the DFS shall establishes a pilot project in Green County, the City of St. Louis, and a rural county in the state to contract for direct services for children in DFS custody. By February 1, 2004, each county or city participating in the pilot project shall submit a plan for the implementation of the pilot project. The Privatization Pilot Project Planning Panel may include criteria for each caseworker to handle up to 30 cases per caseworker.

DESCRIPTION (continued)

Section 210.145

Requires the DFS to set protocols for handling hotline investigations. Requires the use of Structured Decision-Making Model to be used. Requires emergency child protection teams to be used to conduct an investigation. The team shall consist of a designated division local office personnel if necessary, local law enforcement.

Section 210.147

All information provided at any meeting or hearing held in relation to the removal of a child from the child's home is confidential, however, any parent or party may waive confidentiality for himself or herself. No person shall be required to sign a confidentiality agreement before testifying or providing information at such meetings or hearing. All meetings and hearings held in relation to the removal of a child from the child's home may be recorded by the child, parent, or any party by audiotape or videotape at the expense of the requesting party.

Section 210.152

Requires all identifying information to be expunged if the DFS investigation finds no evidence of abuse or neglect and reduces the time for maintaining identifying information from ten to five years.

Section 210.160

Gives the guardian ad litem and court appointed special advocates the right to attend and be notified of all meetings involving the child. Gives the appointing judge authority to check the background of guardian ad litem and court appointed special advocates. Requires guardian ad litem to advocate for timely court hearings for children.

Section 210.187

Requires the Children's Juvenile Justice Task Force to provide an independent review of policies and procedures of state and local child protective services agencies.

Section 210.188

Requires the Department of Social Services to compile an annual report giving statistical information regarding the number of children receiving child protective services.

Sections 210.482 and 210.487

Requires a name-based criminal history check for persons 18 or older living with a child in emergency placement. The DFS is required to conduct a search for any adult in a foster parents' house for full orders of protection. The DFS will also obtain finger prints for adults in the household for a criminal history check.

DESCRIPTION (continued)

Section 210.518

Requires monthly interagency meetings between the Department of Mental Health, the Department of Elementary and Secondary Education and the Department of Social Services.

Section 210.565

Requires the court to make specific findings why a child is put in placement with persons other than relatives.

Section 210.937

The provisions of sections 210.900 to 210.936 shall terminate on January 1, 2010.

Section 211.031

Allows for a change of venue by application of parent or guardian.

Section 211.032

Requires a status hearing to be held within 72 hours of a child being taken into custody. Permits a protective custody hearing with 14 days. Requires an adjudication hearing to be held at 60 days. Requires a dispositional hearing at 90 days and a follow-up review by the court every 90 to 120 days for the first year, then at least once every six months. Upon request of the foster family and whenever possible, the child shall be permitted to continue to attend the same school that the child was enrolled in and attending at the time the child was taken into custody by the division. The division, in consultation with the department of elementary and secondary education, shall establish the necessary procedures to implement the provisions of this subdivision.

Section 211.171

Foster parents shall be provided notice of all hearings to be held. Prohibits the granting of more than one continuance without a written finding on the record.

Section 211.321

Requires juvenile court proceedings to be open to the public unless the court chooses to close the proceedings to protect the welfare of the child.

Section 453.110

Provides for up to a one-year temporary placement of a child by the parent without a court order.

DESCRIPTION (continued)

Section 630.097

Requires the Department of Mental Health and the Department of Social Services shall jointly develop, implement, and administer a unified accountable comprehensive children's mental health service system in conjunction with other state agencies and organizations.

Section 630.210

The standard means test shall be waived for a child in need of mental health services to avoid inappropriate custody transfers to the DFS.

Section 1

Requires the DFS to submit amendments to state plans to enhance federal reimbursement for foster care and adoption assistance. The DFS shall take the necessary steps to qualify the state for receipt of any federal block grant moneys which are or will be available for foster care and adoption assistance.

Section 2

Requires the DFS to conduct a diligent search for the natural parents of children in custody.

Section 3.

The Department of Mental Health and the Department of Social Services shall jointly prepare a plan to address the need for mental health services and supports for children in Department of Social Services custody.

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
Missouri House of Representatives
Department of Health and Senior Services
Office of State Courts Administrator
Department of Elementary and Secondary Education
Department of Corrections
Missouri Senate
Secretary of State
Department of Mental Health
Department of Public Safety -
 Missouri Highway Patrol
Office of Prosecution Services
State Public Defender

Not Responding: Attorney General Office



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DIRECTOR
APRIL 14, 2003