

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2360-01
Bill No.: HB 987
Subject: Children and Minors; Family Law; Department of Social Services
Type: Original
Date: March 24, 2009

Bill Summary: This legislation modifies the amount of child day care services benefits provided to more efficiently transition recipients off of such benefits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Section 208.044:

Officials from the **Department of Health and Senior Services** assume the proposal would have no fiscal impact on their agency.

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. 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** assume the proposal will affect the Department's Missouri Preschool programs if they are accepting subsidies. Those families meeting the income thresholds will be put into this "step down" system and will have to come up with the additional money to keep their children in the program. There is no way to determine the actual fiscal impact of this change since the Department does not know which programs accept subsidies, which families are eligible, nor when those families might become ineligible. Currently there are 189 contracted programs.

Officials from the **Department of Social Services (DSS)** assume the fiscal impact is "unknown" because the language in the legislation is not clear enough for the DSS to determine exactly how the current reimbursement system is expected to interface with a new reimbursement system that appears to cap current benefits while implementing a new benefit of transitional payments for child care services.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE FUND			
<u>Income</u> - Department of Elementary and Secondary Education*	Unknown	Unknown	Unknown
<u>Costs</u> - Department of Elementary and Secondary Education*	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> - Department of Social Services	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

*Oversight assumes costs will exceed income.

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
POLITICAL SUBDIVISIONS			
<u>Income</u> - School Districts	Unknown	Unknown	Unknown
<u>Costs</u> - School Districts	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>

FISCAL IMPACT - Small Business

This legislation could impact child care providers. Providers will receive a reduced payment amount from the state, as parents will have to pay a higher portion of their child care cost. These parents, who will be in a lower income bracket, may not have the money for their payment portion, thus creating a loss of income for providers. Also, licensed providers could see a reduction in the number of children served, as parents will be faced with the choice of seeking alternative child care arrangements that is suitable to their income needs. Additionally, providers will have to work with a difficult reimbursement schedule.

FISCAL DESCRIPTION

Section 208.044:

The proposed legislation modifies the amount of child day care services benefits provided to more efficiently transition recipients off of such benefits.

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 Elementary and Secondary Education
Department of Health and Senior Services
Department of Social Services
Office of the Secretary of State



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