

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3090-02  
Bill No.: SCS for SB 625  
Subject: Children and Minors; Family Law; Family Support Division; Department of Social Services  
Type: Original  
Date: March 1, 2010

Bill Summary: This legislation modifies provisions on child care subsidies.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	\$0	\$0 to (\$2,100,000)	\$0 to (\$4,200,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0 to (\$2,100,000)</b>	<b>\$0 to (\$4,200,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

### ASSUMPTION

#### ***Section 208.046:***

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 Social Services-Children's Division** assume based on the language of this legislation, the fiscal impact is unknown. If the intent is that eligibility would be at the discretion of the Division, and appropriations are not available, there would be no fiscal impact. If the intent is to maintain eligibility at the current Federal Poverty Level, based on previous years, it will cost approximately \$2,100,000 each year to maintain the guidelines at these levels. Therefore, the Division is submitting a fiscal impact from zero to \$2,100,000 for FY 12 and zero to \$4,200,000 for FY 13.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Department Social Services</u>			
Program Costs	<u>\$0</u>	<u>\$0 to</u> <u>(\$2,100,000)</u>	<u>\$0 to</u> <u>(\$4,200,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0 to</u></b> <b><u>(\$2,100,000)</u></b>	<b><u>\$0 to</u></b> <b><u>(\$4,200,000)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

If the annual appropriation level rises then there is potential to see an increase in state subsidized children. With the higher income levels more providers may be willing to accept DSS subsidy.

FISCAL DESCRIPTION

**Section 208.046:**

The proposed legislation provides that the Children's Division within the Department of Social Services shall develop rules to become effective by July 1, 2010, modifying the income eligibility criteria for any person receiving state-funded child care assistance, either through vouchers or direct reimbursement to child care providers.

Eligible child care recipients under state law and regulation may pay a fee based on adjusted gross income and family size unit based on a child care sliding scale fee established by the Children's Division, which is subject to appropriations. However, a person receiving state-funded child care assistance whose income surpasses the annual appropriation level may continue to receive reduced subsidy benefits on a scale established by the Children's Division, at which time such person will have assumed the full cost of the maximum base child care subsidy

FISCAL DESCRIPTION (continued)

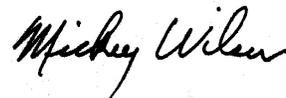
benefits. "Annual appropriation level" is defined as the percentage of the federal poverty level for the applicable family size necessary to be eligible for the child care subsidy as determined by annual appropriation.

The sliding scale fee may be waived for children with special needs as established by the Division. The maximum payment by the Division shall be the applicable rate minus the applicable fee.

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  
Office of the Secretary of State



Mickey Wilson, CPA  
Director  
March 1, 2010