

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4991-01
Bill No.: SB 908
Subject: Health Care; Health Care Professionals; Health, Public; Department of Health and Senior Services; Public Assistance; Disabilities
Type: Original
Date: March 1, 2010

Bill Summary: This legislation revises provisions relating to the renamed Missouri Brain Injury Advisory Council.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2011 | FY 2012 | FY 2013 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2011 | FY 2012 | FY 2013 |
| Brain Injury* | \$0 | \$0 | \$0 |
| | | | |
| Total Estimated Net Effect on Other State Funds | \$0 | \$0 | \$0 |

*Income and cost would net to \$0.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

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

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2011 | FY 2012 | FY 2013 |
| | | | |
| | | | |
| 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 2011 | FY 2012 | FY 2013 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Sections 192.735, 192.737, 192.739, 192.742, 192.745, 199.001, 199.003, 199.007, 199.009, 199.010, 199.029, 199.031, 199.037, 199.039, 199.041, 199.043, 199.051, 304.028:

Officials from the **Office of Administration-Administrative Hearing Commission** 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 **Office of the State Courts Administrator (CTS)** assume the proposed legislation would create a \$10 surcharge on all cases involving a violation of an intoxicated-related traffic offense, as defined under section 577.023, an intoxicated-related boating offense, as defined under section 306.118, or a child passenger restraint offense under section 307.179. This money is to be deposited into the "Brain Injury Fund", formerly the "Head Injury Fund".

In FY 2009, there were 4,311 charges that fall under section 577.023, RSMo, 6 charges that fall under section 306.118, RSMo, and 1,355 charges fall under section 307.179, RSMo. CTS assumes that approximately 90% of these charges are individual cases. Therefore, CTS assumes 1,889 misdemeanor cases, 1,991 felony cases and 1,220 infraction cases will be filed.

ASSUMPTION (continued)

CTS calculation takes into account the fact that felony collection rates are only between 50% and 60%, and misdemeanor collection rates average 80%. This surcharge is assessed on misdemeanor and felony cases. Since these defendants often do not have steady employment or cash reserves, the court often gives the defendants the period of probation to pay the costs and fines. Therefore, the revenue generated the first year is less than that generated in subsequent years. The felony collection rate increases over a period of four years, which CTS believes to be the average probation served for felonies. The collection rate for misdemeanors increases over two years, the average probation time for misdemeanants.

Based on a 50% felony collection rate, CTS calculations indicate that the legislation will produce \$19,805 in the 1st 12 months, \$29,850 in the 2nd 12 months, \$32,338 in the 3rd 12 months, and \$34,827 annually thereafter. Based on a 60% felony collection rate, our calculations indicate that the legislation will produce \$20,303 in the 1st 12 months, \$30,845 in the 2nd 12 months, \$33,832 in the 3rd 12 months, and \$36,818 annually thereafter.

Oversight notes the revenue deposited into the Brain Injury Fund mentioned in CTS's response was also included in the Department of Health and Senior Services's response. For fiscal note purposes only, Oversight has included the fiscal impact in the Department of Health and Senior Services.

Officials from the **Department of Health and Senior Services** state the following: according to the Office of State Courts Administrator, in FY 2009, there were 4,311 intoxicated-related traffic charges that fall under Section 577.023, RSMo, six intoxicated-related boating charges that fall under Section 306.118, RSMo, and 1,355 child passenger restraint charges falling under Section 307.179, RSMo. The Department of Health and Senior Services assumes that 100 percent of these charges would have resulted in a penalty with a \$10 fine. For fiscal note purposes, DHSS assumes a similar amount of these types of offenses will occur in FY-11 through FY-13. Therefore DHSS assumes approximately \$56,720 (5,672 offenses x \$10) would be deposited into the Brain Injury Fund. This additional funding will allow DHSS to serve approximately seven to ten additional Missourians with head injuries.

Officials from the **Missouri State Treasurer** have not responded to Oversight's request for fiscal information.

| <u>FISCAL IMPACT - State Government</u> | FY 2011 (10 Mo.) | FY 2012 | FY 2013 |
|---|-------------------------|-------------------------|-------------------------|
| BRAIN INJURY FUND | | | |
| <u>Savings</u> - Department of Health and Senior Services | | | |
| \$10 Penalty Revenue | Up to \$47,267 | Up to \$56,720 | Up to \$56,720 |
| <u>Costs</u> - Department of Health and Senior Services | | | |
| Program Costs | <u>(Up to \$47,267)</u> | <u>(Up to \$56,720)</u> | <u>(Up to \$56,720)</u> |
| ESTIMATED NET EFFECT ON BRAIN INJURY FUND | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| <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

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

FISCAL DESCRIPTION

Sections 192.735, 192.737, 192.739, 192.742, 192.745, 199.001, 199.003, 199.007, 199.009, 199.010, 199.029, 199.031, 199.037, 199.039, 199.041, 199.043, 199.051, 304.028:

The proposed legislation changes the name of the Missouri Head Injury Advisory Council to the Missouri Brain Injury Advisory Council and codifies the executive order transferring the Missouri Brain Injury Advisory Council to the Department of Health and Senior Services. The legislation provides for the decrease of members of the council from the present twenty-five to fifteen. Meetings of the full council shall be held four times a year or at the call of the council chairperson.

FISCAL DESCRIPTION (continued)

This legislation prescribes some additional duties for the Department, including promulgating rules to prescribe polices or standards which affect charging and funding of adult brain injury rehabilitation services and reasonable rules relative to the implementation of participant rights for those using rehabilitation services. The Department shall also promulgate rules to create a reasonable standard means test to be applied to all programs and services funded by the Department. The administration of the Brain Injury Fund is also transferred to the Department. This legislation also provides that services provided by the Department shall be directed toward preparation for education or vocational achievement, independent living, and community participation.

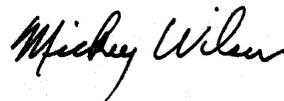
There are additional ten-dollar surcharges for intoxicated-related driving and boating offenses as well as violations of child passenger restraint laws for the Brain Injury Fund.

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

Office of Administration-Administrative Hearing Commission
Department of Health and Senior Services
Office of the Secretary of State
Office of the State Courts Administrator

Not Responding: Missouri State Treasurer



Mickey Wilson, CPA
Director
March 1, 2010