

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0086H.011
Bill No.: HB 59
Subject: Family Law; Domestic Relations; Children and Minors
Type: Original
Date: January 6, 2023

Bill Summary: This proposal modifies provisions relating to the custody and support of children.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue	(\$12,290)	(\$1,287)	(\$1,320)
Total Estimated Net Effect on General Revenue	(\$12,290)	(\$1,287)	(\$1,320)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Federal*			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Income and expenses are estimated at \$24,000 in FY 2024 and \$2,500 annually beginning in FY 2025 and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§ 452.340 - Raises the age for certain parental support obligations from 21 to 22

Officials from the **Department of Social Services (DSS), Family Support Division (FSD), Child Support (CS)** state the collection of current support services impacts those children between the ages of 21 and 22 that are still attending a secondary school of instruction or a graduation equivalence degree program. The proposed bill did not change the age at which current support terminates for children who have completed a secondary school of instruction and are now enrolled in an institution of vocational or higher education, which continues to be age 21.

There are currently 33,997 children, between the ages of 18 and 21 on IV-D cases, who could be eligible for support to continue until age 22 under this proposed legislation. FSD CS program would provide all custodial parents with children between the ages of 18 and 21 with notice of this statutory change, resulting in postage costs of \$17,678 ($33,997 * \$0.52 = \$17,678.44$ rounded down). The cost to the CS program is calculated at a 34% GR, 66% Federal Fund split resulting in a total cost of \$6,011 ($\$17,678 * 0.34 = 6,010.52$ rounded up). FSD currently sends a notice 90 days prior to a child's 18th birthday that includes a copy of §452.340, so there would be no additional cost related to children turning 18 after August 28, 2023, as a copy of the revised statute would be included with that notice. Therefore, the cost incurred to notify custodial parents with a child between 18 and 21 will be a one-time expense.

Proposed § 452.340 would also require the division to revise forms used to determine if a child meets requirements for continued support.

The additional duties associated with the implementation of this legislation can be accomplished with existing staff.

FSD considered the impact to collections and federal incentives due to the number of children who would meet requirements for current support to continue until age 22 and determined there would be minimal impact based on the federal OCSE-157 measure for current support collections. The federal OCSE-157 report measure for current support collections is: Amount Collected for Current Support in IV-D cases/Amount Owed for Current Support in IV-D Cases. Based on the language of this proposed bill, current support could remain due for children between ages twenty-one and twenty-two attending a secondary program of instruction. Because the numerator and denominator for the calculation would both increase, the Division would maintain the same percentage of collections. Federal incentives for CS are based on the percentage collected and; therefore, should not change.

The Child Support Enforcement (CSEC) fund would not be impacted as it is based on the children in the household receiving TANF or in foster care. Currently, children over 18 are not eligible to receive TANF benefits as part of another person's household; therefore, current support would not be assigned to the state for children over age 18.

The total fiscal impact to FSD, FSD/CS program is \$17,678 (\$6,011 GR; \$11,667 Federal) in FY 2024 for postage costs to implement the provisions of § 452.340.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by DSS, FSD/CS.

Officials from the **DSS, Division of Legal Services (DLS)** state the proposed legislation could have a small fiscal impact on DLS as the bill increases the age of majority to age twenty-two and an additional year of child support accrual could increase the number of administrative hearing requests. However, DLS anticipates that the DLS administrative hearing unit would be able to handle any additional hearing requests with current staffing.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for DSS, DLS.

§ 452.375 and § 452.400 – Changes to access to records and information; visitation rights

Officials from the **DSS, FSD/CS** program state they do not enter orders regarding custody or visitation. There are processes and procedures regarding the release of confidential information to outside parties and the provisions in this bill would not alter those processes and procedures. Therefore, the changes to § 452.375.12 and § 452.400.1 do not impact the DSS, FSD/CS program.

The DSS, FSD/CS program defers to the Office of Administration (OA), Information Technology Services Division (ITSD)/DSS for the costs of the termination of support programming and form changes in the Missouri Automated Child Support System that would be necessary under this proposed legislation.

DSS, FSD, Income Maintenance (IM) states they have processes and procedures regarding the release of confidential information to outside parties and the provisions in this bill would not alter those processes and procedures. The provisions of this bill do not alter any provisions relating to eligibility for any programs FSD administers.

Therefore, there is no impact to DSS, FSD/IM.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact for these sections in the fiscal note for DSS, FSD/CS and DSS, FSD/IM.

Responses regarding the proposed legislation as a whole

Officials from the **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS** state updates to the Missouri Automated Child Support System (MACSS) would be required for this proposal. These updates would include changes to existing Termination of Support Programs and reports. There are also possible changes to add new field(s) to Dependent Detail screens to record high school information.

OA, ITSD/DSS assumes every new IT project/system will be bid out because all ITSD resources are at full capacity. IT contract rates for MACSS are estimated at \$95/hour. It is assumed the necessary modifications will require 194.4 hours for a cost of \$18,468 (194.4 * \$95), split 34% GR; 66% Federal (\$6,279 GR; \$12,189 Federal) in FY 2024. Ongoing program support costs are estimated to be \$3,786 (\$1,287 GR; \$2,499 Federal) in FY 2025 and \$3,881 (\$1,320 GR; \$2,561 Federal) in FY 2026.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by ITSD/DSS for fiscal note purposes.

Officials from the **Office of the State Courts Administrator** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this office.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE FUND			
<u>Costs</u> – DSS, FSD/CS (§ 452.340) postage costs p. 3-4	(\$6,011)	\$0	\$0
<u>Costs</u> – OA,ITSD/DSS (§ 452.340; § 452.375 and § 452.400) MACSS system changes p. 5	(\$6,279)	(\$1,287)	(\$1,320)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$12,290)</u>	<u>(\$1,287)</u>	<u>(\$1,320)</u>
FEDERAL FUNDS			
<u>Income</u> – DSS, FSD/CS (§ 452.340) postage reimbursement p. 3-4	\$11,667	\$0	\$0
<u>Income</u> – OA,ITSD/DSS (§ 452.340; § 452.375 and § 452.400) MACSS system changes p. 5	\$12,189	\$2,499	\$2,561
<u>Costs</u> – DSS, FSD/CS (§ 452.340) postage costs p. 3-4	(\$11,667)	\$0	\$0
<u>Costs</u> – OA,ITSD/DSS (§ 452.340; § 452.375 and § 452.400) MACSS system changes p. 5	(\$12,189)	(\$2,499)	(\$2,561)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<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

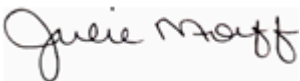
This bill raises the age until which parental support obligations for children attending a secondary school program shall continue from 21 to 22. The bill requires a noncustodial parent to maintain meaningful contact with a child when requesting receipt of grades when the intent is to seek termination of payment of support as outlined in the bill (§ 452.340).

The bill limits access to records and information for minor children when a noncustodial parent has failed to maintain contact for a period of six years or more. The bill also removes visitation rights for noncustodial parents that have failed to maintain contact with a child for a period of six years or more (§ 452.375 and § 452.400).

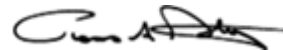
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services
Office of the State Courts Administrator



Julie Morff
Director
January 6, 2023



Ross Strobe
Assistant Director
January 6, 2023