

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4569H.03C  
Bill No.: HCS for HB 1974  
Subject: Children and Minors; Domestic Relations; Family Law; Courts; Marriage and Divorce  
Type: Original  
Date: April 5, 2022

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Bill Summary: This proposal establishes a rebuttable presumption that child custody arrangements that award equal parenting time are in the best interest of the child.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<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.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</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 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Social Services (DSS)** assume the following:

#### Income Maintenance (IM) Sections 452.375.2 and 452.375.4:

Proposed section 452.375.2 requires courts to award parents' equal parenting time (i.e., 50/50 visitation) unless the presumption is rebutted by preponderance of the evidence. The presumption is also rebutted if the courts find that the parents have reached an agreement on all custody issues, if the court finds that a parent or any person living with a parent has committed an offense as set forth under 454.375.3, or the court finds that a history of domestic violence or abuse as defined under 455.010 has occurred. Under proposed 452.375.4 the general assembly encourages the court to enter a temporary parenting plan as early as practicable in a proceeding under Chapter 452, consistent with the provisions of subsection 2 of this section, when determining custody arrangements.

The Family Support Division (FSD) has policies and procedures in place regarding custody arrangements in determining eligibility for all public assistance programs FSD administers. The provisions of this bill do not alter the eligibility criteria for any public assistance programs FSD administers.

#### Child Support (CS): Section 452.375.2

FSD child support assumes that if this bill passes, most judicial orders will include equal parenting time for each parent. The directions for the Civil Procedure Form No. 14 allow a 34% visitation credit for a parent who has 181-183 overnight visits with his/her child (i.e., 50/50 visitation) up to 50% credit if the court determines the credit is unjust and inappropriate. A 50% visitation credit may result in a \$0 obligation. Today, courts may enter no parenting time up to equal parenting time. Likewise, the court may order no credit for visitation or credit up to 50% based on the circumstances of the party. Awarding equal parenting time in all orders and giving obligors a 34% to 50% visitation credit may reduce the child support obligations in Missouri judicial orders.

Since support amounts are assigned to the state when a parent and child receive Temporary Assistance for Needy Families (TANF), and all new orders may be reduced by a 34% up to 50% visitation credit, the state's ability to recoup TANF payments will be reduced. The state retains approximately 34% of all assigned collections in the Child Support Enforcement (CSEC) Fund; a reduction in the ability to recoup TANF expenditures will reduce the amount of assigned collections deposited into the CSEC fund that help fund the Child Support program.

In state fiscal year (SFY) 2021, there were 3,296 new judicial support orders entered in the Missouri Automated Child Support System (MACSS). FSD’s caseload for state fiscal year 2021 was 304,525 cases of which 3,734 (or 1.2%) were TANF cases. Therefore, of the 3,296 new judicial orders entered in MACSS in SFY 2021, FSD assumes 1.2% or 40 were on TANF cases and the judicial current support obligations were assigned to the state. The total assigned support that accrued on those orders for SFY 2021 was \$150,892, with an average annual accrual per order amount of \$3,772 (\$150,892/40).

Assuming the number of TANF recipients remains static, FSD estimates the amount of support assigned to the state for the recoupment of TANF benefits could be reduced by up to \$150,892 per year which results in \$51,303 [\$150,892 x 34% (The Federal FMAP rate)] less that the state could potentially collect and retain as CSEC revenues.

The impact on CSEC revenues will be a range of \$0 (no change in the obligation) up to \$51,303 (assuming equal parenting time results in a \$0 obligation). This funding will need a general revenue pickup to keep the Child Support program at the same level. Therefore, the total fiscal impact to FSD is \$0 to \$51,303.

**Oversight** considers the fiscal impact estimated by DSS to be more of a potential indirect fiscal impact, depending upon the judgements of the courts, the current custody agreements of the parents, and the financial status of the parties. Therefore, Oversight will assume that the proposal will not have a direct fiscal impact on the state.

Officials from the **Department of Health and Senior Services** and the **Department of Mental Health** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a previous version, officials from the **Office of the State Courts Administrator** assumed 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 agency.

<u>FISCAL IMPACT –</u> <u>State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<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.

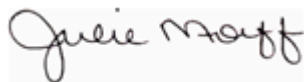
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.


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  
Department of Health and Senior Services  
Department of Mental Health



Julie Morff  
Director  
April 5, 2022



Ross Strobe  
Assistant Director  
April 5, 2022