

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4084S.01I
Bill No.: SB 823
Subject: Children and Minors; Children's Division; Courts, Juvenile; Department of Social Services; Social Workers
Type: Original
Date: February 1, 2022

Bill Summary: This proposal modifies provisions relating to child protection.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	(\$19,322,816)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue	(\$19,322,816)	(Unknown)	(Unknown)

* \$19,322,816 represents the Department of Social Services' Supplemental New Decision Item for the Families First Prevention Services Act (FFPSA) implementation in FY 2022. Oversight has decided to reflect that NDI cost in the fiscal note (for FY 2023) for informational purposes and also to reflect an unknown amount of ongoing cost for the FFPSA in future years.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>Other State Funds</u>	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Federal Funds*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenses exceed \$6 million in FY 2023, with unknown ongoing income and expenses and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
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 2023	FY 2024	FY 2025
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§210.135; 210.140; 210.147; 210.715; 210.762; 211.081 - Child protection provisions

Officials from the **Department of Social Services (DSS)** state this legislation provides support to implement the federal legislation for Families First Prevention Services Act (FFPSA). There is a fiscal impact to the FFPSA legislation. A new decision item has been requested based on this fiscal impact. Unless Missouri implements certain components of the Family First Act, the state could lose federal funds. Implementation of these components will significantly reduce that impact. Additionally, the U.S. Centers for Medicare & Medicaid Services (CMS) released guidance in October 2021, allowing for a waiver which will reduce the loss of federal funding for a period of 2 years. Therefore, there is no fiscal impact to DSS.

Oversight notes DSS's Family First Residential Cost supplemental new decision item request for \$25,703,794 (\$19,322,816 GR; \$6,380,978 Federal) as listed in the FY 2023 Budget Book. Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs included in the Family First Residential Cost supplemental NDI for FY 2023 and "\$0 to (Unknown)" costs for ongoing expenses related to implantation.

Oversight notes the following description in DSS' supplemental NDI:

"The Family First Prevention Services Act (FFPSA) was signed into law on February 9, 2018. The Act aims to prevent children from entering foster care by allowing federal reimbursement for mental health services, substance use treatment, and in-home parenting skill training to families and children who are at risk of entering the child welfare system. FFPSA, also, aims to ensure children already in foster care are placed in the least restrictive, most family-like setting appropriate to the child's specialized needs when foster care is needed, and incentivizes states to reinvest funds, currently used for residential care, into prevention funds."

"Family First significantly changes federal reimbursement for residential treatment. Families first reduced the ability to claim IV-E (which provides federal reimbursement for room and board costs for Title IV-E eligible children). This Act also reduces the amount of Medicaid that can be claimed on Residential Facilities. This act may cause many of the current residential providers to be qualified as an Institution for Mental Diseases (IMD). This removes the ability to claim Medicaid on Residential Treatment costs if child is placed in an IMD instead of a residential treatment provider."

"In addition, this Act creates the need for two additional provider types (Qualified Residential Treatment Program (QRTP) and Psychiatric Residential Treatment Facility (PRTF)) and corresponding rates for these providers. Overall, this Act has a significant impact on the federal

funding for Residential Treatment Placements. This increases the amount of state funding needed to support these programs and changes how these programs are administered.”

Officials from the **Office of State Courts Administrator (OSCA)** state there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the OSCA will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the OSCA for fiscal note purposes. Oversight also assumes OSCA may seek additional appropriations if the proposal results in a significant increase in costs.

Officials from the **Department of Health and Senior Services**, 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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other hospitals were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in Oversight’s database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
GENERAL REVENUE			
<u>Costs</u> – DSS/CD §§210.135; 210.140; 210.147; 210.715; 210.762; 211.081) NDI for FFPSA implementation p. 3	(\$19,322,816)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE*	(\$19,322,816)	(Unknown)	(Unknown)
* NDI for FFPSA implementation in FY 2023 with unknown ongoing implementation costs.			
<u>FISCAL IMPACT – State Government (continued)</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
FEDERAL FUNDS			
<u>Income</u> – DSS/CD §§210.135; 210.140; 210.147; 210.715; 210.762; 211.081) NDI for FFPSA implementation p. 3	\$6,380,978	Unknown	Unknown
<u>Costs</u> – DSS/CD §§210.135; 210.140; 210.147; 210.715; 210.762; 211.081) NDI for FFPSA implementation p. 3	(\$6,380,978)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
* NDI for FFPSA implementation in FY 2023 with unknown ongoing implementation costs.			

<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

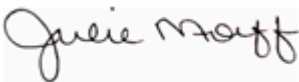
The proposed legislation appears to have no direct fiscal impact.

Information provided online by the [Office of the Administration for Children & Families, Children's Bureau](#), states the Family First Prevention Services Act (FFPSA), enacted as part of Public Law (P.L.) 115—123, authorized new **optional** title IV-E funding for time-limited prevention services for mental health, substance abuse, and in-home parent skill-based programs for children or youth who are candidates for foster care, pregnant or parenting youth in foster care, and the parents or kin caregivers of those children and youth. Although this legislation is not federally mandated, [DSS began implementing FFPSA in October 2021](#), and passage of this proposal would allow them to comply with the federal guidelines of the program.

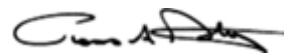
This legislation would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Mental Health
Department of Social Services
Office of the State Courts Administrator



Julie Morff
Director
February 1, 2022



Ross Strobe
Assistant Director
February 1, 2022