

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0762-01
Bill No.: SB 152
Subject: Attorney General, State; Boards, Commissions, Committees, Councils; Health Department; Mental Health Department; Tobacco Products; Treasurer, State
Type: Original
Date: February 14, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Youth Smoking Prevention Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Income and expenses are expected to net to \$0 each year.
 Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Senate**, the **Missouri House of Representatives**, and the **State Treasurer's Office** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Mental Health (DMH)** state language in Section 196.1013 refers to "money received from subsequent participating manufacturers under the master settlement agreement...". Therefore, DMH assumes funding in this legislation only originates from new settlement money from manufacturers not under the original master settlement agreement. As a result, the Department assumes a \$0 fiscal impact.

However, DMH states if the intention of this legislation is to include existing core funding from the tobacco funds there will be a significant adverse affect to the DMH. If the legislation targets the core funding of the DMH from the tobacco settlement agreement a substantial negative impact on the substance abuse treatment system would result. Approximately 2,389 clients would lose treatment services (current CSTAR treatment costs = \$2,174 per client * 40% (State Medicaid Match %) = \$869.60) $\$2,077,681 / \$869.60 = 2,389$ clients. In addition the \$300,000 smoking prevention program administered by the DMH would be lost.

Officials from the **Office of the Secretary of State (SOS)** state this proposal creates the "Youth

ASSUMPTION (continued)

Smoking Prevention Trust Fund” and the Commission for Youth Smoking Prevention”. Rules are to be promulgated and will be published by SOS in the Missouri Register and the Code of State Regulations. Based on experience, the rules, regulations and forms issued could require as many as 6 pages in the Code of State Regulations. For any given rule, roughly one-half again as many pages are published in the Missouri Register as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the Missouri Register is \$23.00. The estimated cost of a page in the Code of State Regulations is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$369 in FY 06.

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 Attorney General** assume that any potential costs arising from this proposal could be absorbed with existing resources.

Officials from the **Department of Health and Senior Services (DOH)** state DOH has a tobacco use prevention program that is supported by federal funds that provide training and technical assistance to schools and community organizations on evidence-based tobacco prevention interventions. The program also maintains contracts with three organizations to support local tobacco prevention programs in St. Louis, Kansas City and Springfield. The proposal would provide additional funds for local youth smoking programs.

DOH assumes the program would be supported by approximately \$7 million upon Missouri entering into an agreement in fall 2004 with subsequent participating tobacco manufacturers. Payments are to be made to the state in April of each year.

The proposal requires a commission to be established within DOH that would award grants for youth smoking prevention programs. This would require staff to support the work of the commission and manage the program.

The DOH states it would need the following personnel:

ASSUMPTION (continued)

Health Program Representative III - 1.00 FTE Youth Tobacco Program Manager. Responsibilities include providing administrative support to the commission; managing request for proposals and awarding of contracts; establishing reporting and evaluation procedures for contracts; monitoring program activities of contractors; providing training and technical assistance for contractors; and preparing required reports to the governor, and house and senate leadership.

Health Program Representative II - 1.00 FTE Youth Tobacco Program Assistant Manager. Responsibilities include maintaining the budget for the program; processing invoices for contractors; establishing and maintaining database of contracts and data reported by contractors; and conducting monitoring of fiscal records of contractors.

Senior Office Support Assistant - Keyboarding - 1.00 FTE Youth Tobacco Program Administrative Assistant. Responsibilities include providing clerical support to the Commission and staff including setting up meetings, copying, making travel arrangements, purchasing supplies and equipment, answering phones, answering correspondence, maintaining minutes of meetings; typing required reports; and responding to requests for information about the program.

Equipment and Expenses:

The standard department costs for personnel equipment and expenses are included to support the three FTE. Travel costs include instate travel for staff to travel to meet with contractors and community groups to provide technical support, training, and monitoring program activities; and out-of-state travel to attend professional meetings and workshops to increase expertise needed to provide support for local and statewide programs.

Program Distributions and contracts

Funds other than those needed to administer the program and Commission would be used for community contracts to reduce youth smoking.

Oversight has, for fiscal note purposes only, changed the starting salary for the DOH positions to the first step for FY 06 and the second step for subsequent years to correspond to comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Oversight assumes the amount received from "subsequent participating manufacturers under the master settlement agreement beginning in fiscal year 2006 and in perpetuity thereafter" is an unknown amount in total and unknown by fiscal year. **Oversight** assumes all money deposited

ASSUMPTION (continued)

into the fund will be used to pay for youth smoking prevention programs and for DOH administrative costs. For fiscal note purposes, **Oversight** has presented unknown income and unknown expenses that net to \$0 each year.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
---	---------------------	---------	---------

YOUTH SMOKING PREVENTION TRUST FUND

Income - Department of Health and Senior Services

Master settlement agreement	Unknown	Unknown	Unknown
-----------------------------	---------	---------	---------

Costs - Department of Health and Senior Services

Personal Service Costs (3 FTE)	(\$68,490)	(\$85,756)	(\$87,899)
Fringe Benefits	(\$29,218)	(\$36,583)	(\$37,498)
Equipment and Expense	(\$35,526)	(\$19,506)	(\$23,181)
Program costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>Total Costs - Department of Health and Senior Services</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
---	------------------	------------------	------------------

YOUTH SMOKING PREVENTION TRUST FUND

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
--	------------	------------	------------

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
---	---------------------	---------	---------

	<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.

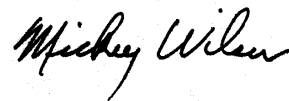
DESCRIPTION

This proposal creates the "Youth Smoking Prevention Trust Fund", which shall be funded by monies received under the Master Settlement Agreement. The Commission for Youth Smoking Prevention is established in the Department of Health and its membership and duties are outlined within the act.

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

State Treasurer Office
Department of Health and Senior Services
Department of Mental Health
Attorney General
Missouri Senate
Missouri House of Representatives
Secretary of State



Mickey Wilson, CPA
Director
February 14, 2005