

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0970-02  
Bill No.: Perfected SCS for SB 225  
Subject: Health Department; Social Services Department; State Departments; Elderly  
Type: Original  
Date: April 27, 2001

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**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON STATE FUNDS</b>                   |                                 |                                 |                                 |
|--|---------------------------------|---------------------------------|---------------------------------|
| FUND AFFECTED  | FY 2002                         | FY 2003                         | FY 2004                         |
| General Revenue  | (\$2,295)                       | (\$3,152)                       | (\$3,247)                       |
| Healthy Families Trust                                       | \$0 to (\$5,000,000)            | \$0 to (\$5,000,000)            | \$0 to (\$5,000,000)            |
| Other  | \$0                             | \$0                             | \$0                             |
| <b>Total Estimated Net Effect on <u>All</u> State Funds*</b> | <b>(\$2,295 TO \$5,002,295)</b> | <b>(\$3,152 TO \$5,003,152)</b> | <b>(\$3,247 TO \$5,003,247)</b> |

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                   |                  |                  |                  |
|--|------------------|------------------|------------------|
| FUND AFFECTED  | FY 2002          | FY 2003          | FY 2004          |
| Federal  | (\$2,205)        | (\$3,028)        | (\$3,119)        |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds*</b> | <b>(\$2,205)</b> | <b>(\$3,028)</b> | <b>(\$3,119)</b> |

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |            |            |            |
|--|------------|------------|------------|
| FUND AFFECTED                              | FY 2002    | FY 2003    | FY 2004    |
| <b>Local Government</b>                    | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

## FISCAL ANALYSIS

### ASSUMPTION

#### **Sections 192.002, 660.050, 660.060, and 660.062**

Officials from the **Department of Health (DOH)** state they have been working with the Department of Social Services (DOS) to identify what resources within DOS (including the Division of Aging budget) are currently supporting the functions of the Division of Aging. In addition, DOH has provided a cost estimate and detailed analysis of what resources DOH would be required to manage the obligations of the Division of Aging during and immediately following the transfer from DOS to DOH. The estimated budget and corresponding analysis has been provided to the Office of Administration, Budget and Planning, for review and a decision as to when the transfer from DSS to DOH will/or should occur. If the cost estimates given to OA Budget and Planning are included in the transfer, the transfer should be cost neutral. If DOH does not receive the estimated costs in the transfer then the transfer would not be cost neutral. The transfer requested dollars and FTE are complex, a summary follows.

DOH would need all current resources identified within the budget of the Division of Aging plus the additional resources listed below that are currently located within various areas of the Department of Social Services.

Located within the Department of Social Services

|       |           |           |
|-------|-----------|-----------|
| Total | \$884,435 | 19.96 FTE |
|-------|-----------|-----------|

Located within the Division of Aging

|                 |              |            |
|-----------------|--------------|------------|
| Total           | \$94,705,529 | 831.37 FTE |
| General Revenue | \$42,143,958 |            |
| Federal         | \$48,726,477 |            |
| Other           | \$ 3,835,094 |            |
| Indirect        | \$ 1,400,000 |            |

DOH has identified other staffing needs in addition to those identified within the Department of Social Services:

|                    |           |
|--------------------|-----------|
| Budget and Finance | 19.04 FTE |
|--------------------|-----------|

General Services \*Staff will need to be transferred relating to General Services functions; however, that number has not yet been determined.

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|                 |          |
|-----------------|----------|
| Legal Services  | 3.34 FTE |
| Data Processing | 9.50 FTE |

ASSUMPTION (continued)

|           |         |
|-----------|---------|
| Personnel | 4.7 FTE |
|-----------|---------|

Oversight assumes these additional staffing needs would be requested through the normal budgetary process.

**Department of Social Services (DOS)** officials assume the Division of Aging's (DA) 831.37 FTE and House Bill 11 appropriations of \$94,705,529 would be transferred from DOS to the Department of Health and Senior Services (DHSS). DOS states the House Bill 13 appropriations associated with DA would also be transferred. DOS would identify the support staff associated with DA transfer. The FTE and the associated personal services, expense and equipment, and program specific distribution amounts would be transferred DHSS. DOS states the fiscal impact would be a savings to DOS with an identical cost to DHSS. DOS states the net effect to the state would be \$0. DOS assumes the transfer would be effective July 1, 2001, with a full year savings shown in FY2002.

DA assumes that in order for the State Board of Senior Services to advise DHSS in the promulgation of rules and regulations, formulation of the budget and planning for and operation of the department, the board would need to meet quarterly. DA estimates the costs for quarterly meetings would be approximately \$6,000 annually.

## **Section 660.026**

Officials from the **Department of Mental Health** and the **Department of Health** assume this portion of the proposal would not fiscally impact their agencies.

**Department of Social Services (DOS)** officials assumed that there would not be a fiscal impact to the Division of Medical Services (DMS). However, if funds are appropriated, DMS could contract and provide funding to federally qualified health centers with existing staff and resources.

**Oversight** assumes a range of \$0 to (\$5,000,000) from the Healthy Families Trust Fund - Health Care Treatment and Access Account. This amount reflects the amount of new funding requested from tobacco settlement funds in the FY2002 Governor's budget request.

|   |         |         |         |
|---|---------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2002 | FY 2003 | FY 2004 |
|---|---------|---------|---------|

**GENERAL REVENUE FUND**

|   |                         |                         |                         |
|---|-------------------------|-------------------------|-------------------------|
| <u>Transfer In - Department of Health</u>           |                         |                         |                         |
| Division of Aging program transfer                  | \$43,408,277            | \$0                     | \$0                     |
| <u>Transfer Out - Department of Social Services</u> |                         |                         |                         |
| Division of Aging program transfer                  | (\$43,408,277)          | \$0                     | \$0                     |
| <u>Costs - Division of Aging</u>                    |                         |                         |                         |
| Board meeting expenses                              | <u>(\$2,295)</u>        | <u>(\$3,152)</u>        | <u>(\$3,247)</u>        |
| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b> | <b><u>(\$2,295)</u></b> | <b><u>(\$3,152)</u></b> | <b><u>(\$3,247)</u></b> |

**HEALTHY FAMILIES TRUST FUND  
 - HEALTH CARE TREATMENT  
 AND ACCESS ACCOUNT**

|   |  |  |  |
|---|--|--|--|
| <u>Cost - Department of Social Services</u>   |  |  |  |
| Contracted services   | <u>\$0 to</u><br><u>(\$5,000,000)</u>                | <u>\$0 to</u><br><u>(\$5,000,000)</u>                | <u>\$0 to</u><br><u>(\$5,000,000)</u>                |
| <b>ESTIMATED NET EFFECT ON HEALTHY FAMILIES TRUST FUND - HEALTH CARE TREATMENT AND ACCESS ACCOUNT</b> | <b><u>\$0 TO</u><br/><b><u>(\$5,000,000)</u></b></b> | <b><u>\$0 TO</u><br/><b><u>(\$5,000,000)</u></b></b> | <b><u>\$0 TO</u><br/><b><u>(\$5,000,000)</u></b></b> |

**OTHER FUNDS**

|   |             |     |     |
|---|-------------|-----|-----|
| <u>Transfer In - Department of Health</u>           |             |     |     |
| Division of Aging program transfer                  | \$3,950,147 | \$0 | \$0 |
| <u>Transfer Out - Department of Social Services</u> |             |     |     |

| <u>FISCAL IMPACT - State Government</u>                 | FY 2002                 | FY 2003                 | FY 2004                 |
|---|-------------------------|-------------------------|-------------------------|
| Division of Aging program transfer                      | <u>(\$3,950,147)</u>    | <u>\$0</u>              | <u>\$0</u>              |
| <b>ESTIMATED NET EFFECT ON<br/>OTHER FUNDS</b>          | <b><u>\$0</u></b>       | <b><u>\$0</u></b>       | <b><u>\$0</u></b>       |
| <b>FEDERAL FUNDS</b>                                    |                         |                         |                         |
| <u>Transfer In - Department of Health</u>               |                         |                         |                         |
| Division of Aging program transfer                      | \$50,188,271            | \$0                     | \$0                     |
| <u>Transfer Out - Department of Social<br/>Services</u> |                         |                         |                         |
| Division of Aging program transfer                      | (\$50,188,271)          | \$0                     | \$0                     |
| <u>Costs - Division of Aging</u>                        |                         |                         |                         |
| Board meeting expenses                                  | <u>(\$2,205)</u>        | <u>(\$3,028)</u>        | <u>(\$3,119)</u>        |
| <b>ESTIMATED NET EFFECT ON<br/>FEDERAL FUNDS</b>        | <b><u>(\$2,205)</u></b> | <b><u>(\$3,028)</u></b> | <b><u>(\$3,119)</u></b> |
| <u>FISCAL IMPACT - Local Government</u>                 | FY 2002                 | FY 2003                 | FY 2004                 |
|   | <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 would create the Department of Health and Senior Services within Chapter 192, RSMo, to supervise all public health functions and programs. As of July 1, 2001, all of the duties of the Division of Aging, under Chapter 660, RSMo, would be transferred to the new Department. All references to the oversight of the Division of Aging by the Department of Social Services would be transferred to the Department of Health and Senior Services. Section

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660.060 would confirm that all authority, powers, duties, etc. of the Division of Aging would transfer to the Department of Health and Senior Services. Section 660.062 would create the DESCRIPTION (continued)

State Board of Senior Services to consist of seven members. No more than four members may be from the same political party. Each member would serve a four- year term, after the first appointees, with a two-term limit. Certain members would specialize in gerontology, geriatrics, nutrition, rehabilitation, and mental health. The Board would advise the Department on rules, budget issues, planning and operation.

This portion of the proposal contains an emergency clause.

This proposal would also authorize state support of federally qualified health centers (FQHC). A new Section 660.026 would allow the Department of Social Services to contract with and provide funding support to all FQHCs in Missouri. Such funds would be used by FQHCs for health care to underserved populations, for capital expenditures when federal funds are not available, and for other services such as dental care and mental health services.

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 Health  
Department of Social Services  
Department of Mental Health



Jeanne Jarrett, CPA  
Director

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