

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3938-01
Bill No.: HB 1655
Subject: Immigration; Public Assistance; Social Services Department
Type: Original
Date: February 5, 2008

Bill Summary: This legislation requires applicants for public benefits to prove citizenship, permanent residence, or lawful presence to be eligible for such benefits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Metropolitan Community College, Lincoln University, Missouri State University, Office of the State Courts Administrator, Office of Administration, Department of Public Safety, Department of Economic Development, Office of the Secretary of State, Department of Insurance, Financial Institutions & Professional Registration, Department of Social Services** and the **Linn State Technical College** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of the Attorney General (AGO)** assume that it may be consulted regarding legal issues on this proposal and also may expend resources defending the state regarding any litigation that might be filed relative to this proposal.

AGO assumes that costs can be absorbed, subject to the possibility of litigation costs in the future.

Officials from the **Department of Revenue (DOR)** assume since this proposal is established in Section 208 RSMo that all other statutes govern driver licenses will still apply. DOR assume since modifications have not been made to Section 302 RSMo regarding lawful presence verification requirements prior to obtaining a driver license, non driver license or permit, the Department will not modify the current requirements or accept the affidavit referenced in Section 208.009.4 RSMo for applicants who cannot provide proof of lawful presence.

Officials from the **Department of Higher Education (DHE)** assume the state's public colleges and universities would likely be responsible for collecting the verifying information described in this proposal. In addition, the Missouri DHE would likely be asked to provide general guidance in implementing the proposal, as well as specific guidance about particular cases. The Missouri DHE currently does not have anyone on staff who is trained in reviewing immigration documents; the agency's General Counsel and/or staff in the Grants and Scholarships Program would likely have to receive additional training.

Oversight assumes the Missouri DHE could absorb any additional caseload that may result from this proposal with existing resources. Oversight assumes any significant increase in the workload of the Missouri DHE would be reflected in future budget request.

ASSUMPTION (continued)

Officials from the **Department of Labor and Industrial Relations (DOLIR)** state the federal government and state governments are jointly responsible for administering the unemployment insurance (UI) system. State laws must meet certain federal requirements for the state agency to receive administrative grants needed to operate its UI program and employers to qualify for certain tax credits.

The U.S. Department of Labor (USDOL) has informally reviewed HB 1655 and has concerns which raise conformity issues. These issues may jeopardize the certification of the state's UI program. If the program fails to be certified, Missouri would lose \$34 million in federal funds the state receives to administer the UI program.

The Federal Unemployment Tax Act (FUTA) imposes a 6.2% payroll tax on employers. Most employers never actually pay the total 6.2% due to credits they receive for the payment of state unemployment taxes and for paying reduced rates under an approved experience rating plan. FUTA allows employers tax credits up to a maximum of 5.4% against the payroll tax if the state UI law is approved by the Secretary of Labor. The proposed legislation may cause Missouri's program to fail certification. As a result, Missouri employers could lose approximately \$977 million annually in FUTA credits.

The fiscal note will be revised when DES receives the letter from USDOL outlining their concerns.

Oversight assumes, because the potential for a loss in funding is speculative, that the DOLIR will not incur significant costs related to this proposal. If a fiscal impact were to result, the DOLIR may request additional funding through the appropriations process.

Officials from the **Truman State University** states that Truman State University is unable to determine a fiscal impact.

Oversight assumes the Truman State University could absorb the additional caseload that may result from this proposal within existing resources.

ASSUMPTION (continued)

Officials from the **University of Central Missouri (UCM)** assume the proposal would have a fiscal impact of \$51,984 in order to hire 2 office professionals to screen applicants. This new staffing would be necessary in order to adequately screen all applicants to the University; UCM's current system is already set up to screen before financial aid is granted, but not before scholarships, graduate assistantship or other aid resulting solely from the application process, is awarded.

Oversight assumes the UCM could absorb the additional caseload that may result from this proposal within existing resources. Therefore, oversight assumes the UCM could absorb two FTE.

Officials from the **Department of Health and Senior Services (DHSS)** state this proposal requires applicants to prove citizenship, permanent residence, or lawful presence in order to receive state or local public benefits. The DHSS has four General Revenue funded programs, Alternatives to Abortion, State Only In-Home Program, Non-MO HealthNet Eligible (Non-Medicaid) Program, and the Naturally Occurring Retirement Communities Program, that would be impacted by this legislation. The Department assumes the program contractors will be required to verify lawful presence to all recipients prior to administering services, therefore there is no impact to the department.

Officials from the **University of Missouri (UM)** assume to require each applicant to the UM to submit the proofs of citizenship would not be possible. International students do not get their verification for admission to the United States until after they have been accepted at a college or university. UM currently check all of our international students to make sure they have the proper documentation, but this is done when they arrive on campus.

Adding proof of citizenship to the application processing will cause a decrease in our yield of enrolled students because it will increase processing time and because the requirement will be viewed as intrusive. Further, UM will no longer be able to accept electronic applications. Some individuals will not want to mail documents such as a birth certificate or passport.

UM estimates the cost to the UM for a significant decrease in enrollment and cost of processing to be over \$40,000,000.

UMC – new employees (3) – 2 @ 20,000 plus benefits = \$51,600
1 @ 18,000 plus benefits = \$23,220

ASSUMPTION (continued)

UMKC – new employees (3) – 2 @ 20,000 plus benefits = \$51,600
1 @ 18,000 plus benefits = \$23,220

UMR – new employees (3) – 2 @ 20,000 plus benefits = \$51,600
1 @ 18,000 plus benefits = \$23,220

UMSL – new employees (3) – 2 @ 20,000 plus benefits = \$51,600
1 @ 18,000 plus benefits = \$23,220

Material usage \$6,730

Oversight assumes, because the potential for a decrease in student enrollment is speculative, that the UM will not incur significant costs related to this proposal. If a fiscal impact were to result, the UM may request additional funding through the appropriations process.

Oversight assumes the UM could absorb the additional caseload that may result from this proposal within existing resources. Therefore, oversight assumes the UM could absorb the requested FTE.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<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.

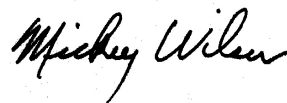
FISCAL DESCRIPTION

The proposed legislation appears to have no 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

Office of the Attorney General
Office of Administration
Office of the State Courts Administrator
Department of Revenue
Department of Public Safety
Metropolitan Community College
Linn State Technical College
Lincoln University
Missouri State University
Department of Economic Development
Department of Higher Education
Office of the Secretary of State
Department of Labor and Industrial Relations
Department of Social Services
University of Missouri
Department of Health and Senior Services
Department of Insurance, Financial Institutions & Professional Registration
Truman State University
University of Central Missouri



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Director

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