

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4660-01
Bill No.: HB 2144
Subject: Elderly; Public Assistance
Type: Original
Date: March 4, 2008

Bill Summary: This proposal authorizes the Family Support Division to assist certain elderly individuals who qualify for the federal Food Stamp Program in obtaining supplemental food stamps.

The provisions of this legislation will expire August 28, 2010.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(\$2,326,365)	(\$2,450,160)	(\$408,360)
Total Estimated Net Effect on General Revenue Fund	(\$2,326,365)	(\$2,450,160)	(\$408,360)

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 7 pages.

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

*Income and costs of \$6,835 in FY09 would net to \$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 **Department of Health and Senior Services** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Mental Health (DMH)** assume DMH has clients that would benefit from this proposal, but the number of clients is unknown. DMH assumes the increase in food stamp assistance would be beneficial to the clients served by DMH but would not fiscally impact DMH.

Officials from the **Department of Social Services (DSS) - Information Technology Services Division (ITSD)** state Family Assistance management Information System (FAMIS) would estimate a total of 320 hours at a blended rate of \$89 per hour to add this requirement to FAMIS. Total one time costs of \$28,480 (320 X \$89).

Officials from the **Department of Social Services (DSS) - Family Support Division (FSD)** state this proposal would require FSD to establish a supplemental food stamp program for individuals sixty-five years of age or older who qualify for food stamps under the Federal Food Stamp Program who live in a household with one or two eligible elderly individuals. A Missouri household with one eligible elderly individual could receive up to \$30 per month, less such member's current federal benefit earned under the Federal Food Stamp Program. A Missouri household composed of two eligible elderly individuals could receive supplemental assistance up to \$60 per month, less the household's current federal benefit earned under the Federal Food Stamp Program.

This proposal would require changes to be made to EBT and FAMIS.

This proposed program is subject to appropriations, so funding would have to be recommended before the program could be implemented.

Estimated Number of Eligible Households

One individual household aged 65 or more – 12,813
Two individual household both aged 65 or more – 1,030
Recouped to zero households – 57
Total – 13,900

ASSUMPTION (continued)

Projected increase in the number of eligible households:

One individual household aged 65 or more – 523

Two individual household both aged 65 or more – 42

Total – 565

Estimated Cost

With the implementation of this proposal, FSD will be required to pay 100% of the start-up computer enhancement costs, rather than receive a 50/50 match from the Food and Nutrition Service. However, once the program is implemented, FSD will not have to bear a larger share of the eligibility determination costs than it currently does.

The total estimated General Revenue cost, including benefits, and projection of caseload increase are listed below. The cost for the amount of supplemental food stamps "one individual", "two individual" and "recouped to zero" households would receive have been reduced by the households' current federal benefits earned under the Federal Food Stamp Program.

SFY09 (based on the estimated number of eligible households for 10 months):

One individual household aged 65 or more – \$1,585,400

Two individual household both aged 65 or more – \$318,720

Recouped to zero households – \$12,000

Projected increase – \$125,600

Total benefits without start-up costs – \$2,041,720

System changes start-up costs – \$263,000

Total Fiscal Estimate SFY '09 – \$2,304,720

SFY10 (based on the estimated number of eligible households for 12 months):

One individual household aged 65 or more – \$1,902,576

Two individual household both aged 65 or more – \$382,464

Recouped to zero households – \$14,400

Projected increase – \$150,720

Total Fiscal Estimate SFY '10 – \$2,450,160

SFY11 (based on the estimated number of eligible households for 2 months):

One individual household aged 65 or more – \$317,096

Two individual household both aged 65 or more – \$63,744

Recouped to zero households – \$2,400

Projected increase – \$25,120

Total Fiscal Estimate SFY '11 – \$408,360

ASSUMPTION (continued)

Caseload Impact:

There should be very little caseload impact. The supplemental benefits will be an automatic issuance by FAMIS for eligible individuals approved for the Federal Food Stamp Program. The eligibility specialist does not have to take another application and any changes to the Federal food stamp benefit will automatically adjust the state supplemental benefit. The eligibility specialist will see a slight increase in workload from the "projected increase", however it would be minimal (estimated at 565 statewide) and the Division would absorb any increase in workload.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011 (2 Mo.)
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GENERAL REVENUE FUND

<u>Costs</u> - Department of Social Services			
Program Cost ITSD (320 Hours)	(\$21,645)	\$0	\$0
Program Cost FSD	<u>(\$2,304,720)</u>	<u>(\$2,450,160)</u>	<u>(\$408,360)</u>
<u>Total Costs</u> - DSS	<u>(\$2,326,365)</u>	<u>(\$2,450,160)</u>	<u>(\$408,360)</u>

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$2,326,365)</u>	<u>(\$2,450,160)</u>	<u>(\$408,360)</u>
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FEDERAL FUNDS

<u>Income</u> - Department of Social Services			
Federal Assistance	\$6,835	\$0	\$0

<u>Costs</u> - Department of Social Services			
Program Cost ITSD (320 Hours)	<u>(\$6,835)</u>	<u>\$0</u>	<u>\$0</u>

ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

FY 2009
(10 Mo.)

FY 2010

FY 2011
(2 Mo.)

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This legislation authorizes the Family Support Division within the Department of Social Services to assist elderly individuals who qualify for the federal Food Stamp Program in obtaining supplemental food stamps. Subject to appropriation, households comprised of one or two elderly individuals who are at least 65 years of age will be entitled to receive supplemental assistance.

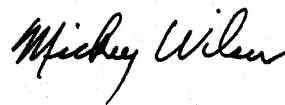
Qualified households consisting of one eligible elderly individual will receive supplemental assistance. However, the benefit combined with the aid the individual receives under the federal program cannot exceed \$30 per month. Qualified households of two eligible elderly individuals cannot receive combined assistance exceeding \$60 per month.

The provisions of this legislation will expire August 28, 2010.

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 and Senior Services
Department of Mental Health
Department of Social Services



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