

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4846-01
Bill No.: HB 1213
Subject: Public Assistance; Social Services Department
Type: Original
Date: February 24, 2014

Bill Summary: This proposal changes the laws regarding public assistance benefits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Unknown, greater than \$1,044,988)	Unknown, less than \$248,917	Unknown, less than \$7,533,870
Total Estimated Net Effect on General Revenue Fund	(Unknown, greater than \$1,044,988)	Unknown, less than \$248,917	Unknown, less than \$7,533,870

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Various Other State Funds	(\$194,977)	(\$217,556)	(\$220,772)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$194,977)	(\$217,556)	(\$220,772)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 27 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Federal	(Could exceed \$3,500,000,000)	(Could exceed \$3,500,000,000)	(Could exceed \$3,500,000,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Could exceed \$3,500,000,000)	(Could exceed \$3,500,000,000)	(Could exceed \$3,500,000,000)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	39.43	39.43	39.43
Various Other State Funds	4.1	4.1	4.1
Federal	15.47	15.47	15.47
Total Estimated Net Effect on FTE	59	59	59

☐ 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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§208.010 - Public Assistance Eligibility

Officials from the **Department of Social Services (DSS) - Family Support Division (FSD)** state the provision of this proposal have no impact to the Food Stamp program because federal rules found at 7 CFR 273 define household composition, income, and resource rules for the Food Stamp program. In addition, there is no impact to the MO HealthNet programs because federal rules found at 42 CFR 435.602 specify whose income and resources must be considered in determining eligibility.

Temporary Assistance to Needy Families (TANF or TA)

When making a determination on whether an applicant is eligible for TANF, the FSD currently does not include the income and resources of individuals over the age of 21 in determining eligibility and grant amount for TA households unless the individual is the parent or stepparent of the child for whom assistance is requested. In November 2013, there were 33,841 families receiving TA. The FSD is unable to determine how many of these households would be affected by the change in this proposal. However, the FSD anticipates some households would be ineligible for continued assistance due to the addition of income and/or resources that exceed the limits from other individuals age 21 or over living in the home. This would result in a reduction of TANF spending on cash assistance, but not a savings in TANF or the general revenue maintenance of effort (MOE) funding because all TANF/MOE must be spent on one of the four purposes of the TANF program:

1. To provide assistance to needy families;
2. To end dependence of needy parents by promoting job preparation, work and marriage;
3. To prevent and reduce out-of-wedlock pregnancies; and
4. To encourage the formation and maintenance of two-parent families.

Low-Income Home Energy Program (LIHEAP)

There is no impact to the LIHEAP program because federal law found at 42 USC 8622 defines a household as any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make un-designated payments for energy in the form of rent.

ASSUMPTION (continued)

§208.027 - Screening for Drug Use

Officials from the **DSS - FSD** state this proposal adds the requirement that case workers shall be given the ultimate discretion to determine whether there is reasonable cause to believe a TA applicant or recipient engages in the illegal use of controlled substances. Any employee who prohibits the drug testing of an applicant or recipient when the case worker has reasonable cause to believe the applicant/recipient engages in the illegal use of controlled substances shall be subject to immediate termination of employment.

The FSD would incur unknown costs related to training staff to recognize the signs of substance abuse to assist staff in making appropriate decisions as to which applicants/recipients should be tested.

The FSD anticipates an unknown increased cost related to an increased number of drug tests. The FSD believes current rules regarding drug testing will identify applicants/recipients who engage in illegal use of controlled substances, either through the screening process for applicants or through the arrest/conviction match with the MO Highway Patrol. However, giving staff the ultimate decision to drug test applicants/recipients might cause an increase in the number of individuals tested due to the subjective nature of allowing staff to make that decision, even with training to recognize the signs of substance abuse.

§208.031 - Sanctions for ATM Withdrawals at Certain Locations

Officials from the **DSS - FSD** state this section requires the FSD put into place a process for sanctions to be imposed if a Missouri cardholder (TANF recipient) makes a successful ATM withdrawal at any of these locations: "any casino, gambling casino, or gaming establishment." SB 251 (2013) prohibits the use of Electronic Benefit Transfer (EBT) cards with merchants whose primary business is adult entertainment, alcohol or gambling. Federal law has the same prohibitions. In compliance with these laws, FSD blocks EBT transactions based on the Merchant Category Code (MCC). If the merchant's primary business is a restricted business, the code for their business blocks EBT transactions.

To block ATMs located in these businesses, the DSS has to individually identify and block the ATM machines. The implementation of this restriction is still in process. There will be administrative costs associated to any hearings resulting from this violation. Those costs will be addressed in the Division of Legal Services fiscal note.

ASSUMPTION (continued)

The passing of SB 251 (2013) created 208.024 Revised Statutes of Missouri (RSMo). This law prohibits use of TA benefits on an EBT card at certain establishments and restricts items that may be purchased at any establishment. Policy and system updates are in place for eligible TA participants who make an EBT purchase in violation of this section to reimburse the DSS for such purchases, and individuals, store owners, or proprietors that knowingly accept TA EBT cards in violation of this section shall be punished by a fine.

§208.042 - Employment Activities

Officials from the **DSS - FSD** state:

208.042.1 requires TANF recipients age 16 or older, unless the recipient is under age 19 and enrolled full-time in high school, to participate in work activities in accordance with federal regulations.

The FSD administers the Missouri Work Assistance (MWA) program to comply with the TANF work activity provisions as required by federal law and federal regulation. Federal regulations found in 45 CFR 261 specify that parents and caretakers receiving assistance must engage in work activities.

208.042.2 states the following recipients are not required to participate in work activities if the recipient is:

- ill, incapacitated, or of advanced age;
- so remote from the location of any work activity that he cannot effectively participate;
- a child attending school full-time; or
- a person whose presence in the household on a substantially continuous basis is required because of illness or incapacity of another member of the household.

Under federal regulations found in 45 CFR 261, children are not required to participate in work activities unless they are a minor parent. Minor parents are required to participate in educational activities as their work activity.

Federal regulations do not allow an exemption from participation in work activities for individuals who are "so remote from the location of any work activity that he cannot effectively participate". Allowing this as an exemption would require benefits provided to a family in which a parent received such an exemption be paid for using 100% state funds. The FSD is unable to determine how many families may request or receive this exemption. Therefore, the FSD is unable to determine a fiscal impact for this subsection.

HWC:LR:OD

ASSUMPTION (continued)

208.042.3 states recipients who refuse to participate in work activities without good cause cannot continue receiving benefits for themselves. Payments for remaining eligible household members shall be made to a protective payee.

Changing the law in this manner will result in a smaller reduction of benefits for most households than our current sanction policy for non-compliance with the MWA program (work activities). Of the 33,841 families receiving Temporary Assistance (TA) in November 2013, 8,218 families are child only families that would not be impacted by this change. The remaining 25,623 families (33,841 - 8,218) would be impacted by this change. Of those families, 76% (25,623 / 33,841 = 75.7 (rounded up)) are one-parent families. One-parent families larger than 2 persons (1 parent and 1 child) would receive a lesser sanction under this section.

Additionally, the months the children continue to receive a benefit would not count toward the 60 month lifetime limit because that limit is applied to the parent(s) and the parent(s) would not be receiving a benefit under this change. However, these families would continue to negatively impact the work participation rate during months in which the lifetime limit is not applied.

§208.048 - School Enrollment

Officials from the **DSS - FSD** state in November 2013, there were 17,074 TANF households with school age children receiving TA benefits. The FSD is unable to determine how many households may be affected by this section because the proposed legislation does not specify who would be penalized if required proof is not provided and does not define regular school attendance. The proposed legislation also does not specify if exceptions would be allowed for children who are disabled and unable to attend school regularly. If families are removed from assistance or receive a reduced benefit for failing to comply with this requirement, this would result in a reduction of TANF spending on cash assistance, but not a savings in TANF or the general revenue maintenance of effort (MOE) funding because all TANF/MOE must be spent on one of the four purposes of the TANF program. (See §208.010 for the purposes).

Officials from the **Department of Elementary and Secondary Education (DESE)** state the requirements of this section will likely place an additional burden on local school districts. The DESE defers to them regarding the extent of any impact.

§208.152.12 - HIPP Program Screening

Officials from the **DSS - MO HealthNet Division (MHD)** state Section 208.152.12 requires the MHD to screen all recipients of MO HealthNet benefits to determine if such recipients are eligible to participate in the Health Insurance Premium Payment (HIPP) program. Recipients are required to participate in the HIPP program if it is determined to be cost effective to do so.

ASSUMPTION (continued)

The current MO HealthNet HIPP program covers 3,097 individuals (1,532 MO HealthNet and 1,565 non-MO HealthNet), which is 768 cases. Assuming that 1% of the MO HealthNet population ($847,385 \times 1\% = 8,474$ (rounded up)) would be eligible for the HIPP program, there would be an increase of 6,942 MO HealthNet participants eligible for the HIPP program (8,474 estimate - 1,532 currently covered). Based upon the current ratio of MO HealthNet participants on HIPP to the number of HIPP cases, the increase of 6,942 participants would equate to approximately 3,471 cases.

Under the current HIPP program, MO HealthNet Division has 3.5 FTEs that work the 768 cases ($768 \text{ cases} / 3.5 \text{ FTE} = 219 \text{ cases/FTE}$). For an increase of 3,471 cases, MO HealthNet would require 16 new FTEs ($3,471 \text{ new cases} / 219 \text{ cases/FTE} = 15.85 \text{ FTE}$) at the Medicaid Technician level and one supervisor at the Medicaid Specialist level.

This language requires the Family Support Division (FSD) staff to refer all MO HealthNet participants with insurance coverage to the HIPP program for a cost effectiveness determination. This change would require system and workflow modifications for FSD to capture the required information for the HIPP determination prior to transferring the case to MO HealthNet. MO HealthNet would have to make changes to the Medicaid Management Information System (MMIS) to be able to process the data electronically from the FSD. The system work required is due to the requirement to screen all applicants for HIPP. The MMIS would need to be programmed to find the cost effectiveness of each cases in order to be eligible. After this determination the 16 staff would work with the individual case to set up and process the premium payments. The cost for the MMIS changes is unknown, but greater than \$1 million.

MO HealthNet assumes that the staffing cost would be for 10 months in FY15, and there would be an additional one-time unknown cost in FY 15 of greater than \$1,000,000 for system changes.

FY15 (10 mos): > \$1,893,946 (GR > \$946,973; Federal > \$946,973);
FY16: \$903,982 (GR \$451,991; Federal > \$451,991);
FY17: \$914,090 (GR \$457,045; Federal > \$457,045).

There would also be a savings for each new HIPP case of \$1,863 for a total savings in FY 15 of \$6,466,473. MO HealthNet assumes that there would only be a 10-month savings in FY 15. MO HealthNet further assumes that savings in FY 16 and FY 17 would be \$6,466,473.

FY15 (10 mos.): \$5,388,728 (GR \$1,988,710; Federal \$3,400,018);
FY16: \$6,466,473 (GR \$2,386,452; Federal \$4,080,021);
FY17: \$6,466,473 (GR \$2,386,452; Federal \$4,080,021).

ASSUMPTION (continued)

Officials from the **DSS - FSD** state there is no fiscal impact to the FSD for this section. The FSD gathers health insurance information on MO HealthNet (MHN) applicants/recipients who have medical or hospital insurance or Medicare. When applicable, the FSD also gathers information regarding employer-sponsored health insurance that is available to families of MO HealthNet for Children applicants/recipients who are eligible under the Children's Health Insurance Program (CHIP) income limits. Health insurance information that is gathered in both situations is shared with the MHD.

§208.182 - Photo ID on EBT Cards

208.182.1 would require that all EBT cards issued to Food Stamp recipients contain a photo of the recipient. Subsection 4 of this section states that rules promulgated to implement the provisions of this section must ensure compliance with federal law, including ensuring that all appropriate household members or authorized representatives are able to access benefits. This requirement is outlined in federal regulation found at 7 CFR 274.8(b)(5)(iv).

This section also requires retailers to not accept cards if the photo on the card does not match the person presenting the card. Federal regulation found at 7 CFR 278.2(b) states "No retail food store may single out coupon users for special treatment in any way". This rule applies to EBT users as well. Federal regulation found at 7 CFR 278.2(h) states "Where photo ID cards are in use, the person presenting the ID card need not be pictured on the card". Since retail establishments are licensed by the U.S. Department of Agriculture, Food and Nutrition Services, federal rules must be followed. Therefore, retail establishments must accept an EBT card even when the photo on the card does not match the person presenting the card.

In order to comply with the requirement of having a photo of the recipient on the EBT card, the FSD would be required to issue an EBT card with a photo to each household. The FSD estimates the cost to implement the provisions of this section to be greater than \$315,132 for the first year and \$101,434 for the second and third years. Every three years from implementation, the FSD would incur a much higher cost of replacement due to the requirement in this section that all cards expire and be subject to renewal every 3 years. This cost is estimated to be the same as the first year card issuance cost of \$187,207.

First year costs:

The implementation of placing a photo on the EBT cards for Food Stamp (FS) recipients will require a change to the current EBT contract and the systems. The FSD estimates the costs for these changes would be as follows:

ASSUMPTION (continued)

The FSD estimates a cost of \$0.60 per card to issue an initial EBT card with a photo to all households. The FSD estimates 312,012 Food Stamp-only households would need a new card with a photo. This would result in an initial cost of \$187,207 ($\$0.60 \text{ per card} \times 312,012 \text{ cards} = \$187,207$ (rounded)) to issue EBT cards with photos to all current FS-only households.

The FSD would need to mail at least one notice to each FS-only household notifying them to report to an FSD office to have a photograph taken. First class postage bulk rate increased to \$0.41 as of January 27, 2014. At a cost of \$0.41 per notice, the FSD would incur mailing costs of \$127,925 ($312,012 \text{ FS-only households} \times \$0.41 \text{ per notice} = \$127,925$ (rounded)) to mail one notice to each household. This cost will increase if multiple notices are needed to ensure each household complies with the photo requirement.

There would be additional costs relating to the EBT contract for storage of the photos and additional household member data. However, the FSD is unable to provide an estimate of these costs at this time. Therefore, the first year costs are estimated to be unknown, but greater than \$315,132 ($\$187,207 \text{ new cards} + \$127,925 \text{ postage}$).

Ongoing Costs:

After the initial card issuance, there would be ongoing yearly costs for card replacement of lost, stolen, or damaged EBT cards. The FSD estimates the cost per photo card is \$0.60. On average, 14,088 EBT cards are replaced each month. Therefore, the FSD estimates yearly card replacement costs would be \$101,434 ($\$0.60 \text{ per card} \times 14,088 \text{ cards replaced per month} \times 12 \text{ months} = \$101,434$ (rounded)).

The federal/GR split is 50/50 for these expenses.

§208.249 - Fraudulent Use of Public Assistance Benefits

Officials from the **DSS - FSD** state the proposal permanently disqualifies any person who knowingly and intentionally commits fraud in obtaining or attempting to obtain public assistance benefits. The definition of public assistance benefits includes Temporary Assistance for Needy Families (TANF or TA), Food Stamps, MO HealthNet, and Low-Income Home Energy Assistance (LIHEAP) programs administered by the Family Support Division (FSD).

Food Stamps

Federal rules found at 7 CFR 273.2 specifies that states must base food stamp eligibility solely on the criteria contained in the Food Stamp Act and in the federal rules. Federal rules found at 7 CFR 273.16 outlines penalties allowed for intentional fraud in the Food Stamp program,

ASSUMPTION (continued)

including when individuals can be permanently disqualified from receiving benefits. The FSD reasonably anticipates that there could be sanctions imposed by the United States government for not complying with federal law. These sanctions could include a disallowance of some or all of the federal Food Stamp program funding.

MO HealthNet

Federal law found at 42 USC 1396a sets forth the criteria for who must be covered under a state's Medicaid plan. If individuals applying for Medicaid meet the criteria set forth in federal law, states must cover those individuals. Adding a disqualification for fraud would be adding an eligibility requirement that is not in federal law. The United States government may impose sanctions against states that do not comply with federal Medicaid law. These sanctions may include disallowances and the loss of all or a portion of federal financial participation in the Medicaid program.

Temporary Assistance for Needy Families

In calendar year 2013, there were 457 investigations completed by the Welfare Investigation Unit, of which 10 were referred for prosecution. The FSD anticipates the 10 cases that were referred for prosecution would be the cases that would be disqualified under this section. Since the proposed legislation does not specify if remaining household members would be eligible for assistance, the FSD is unable to determine a fiscal impact. However, the FSD anticipates some individuals and/or families would lose eligibility for assistance as a result of this section. This would result in a reduction of TANF spending on cash assistance, but not a savings in TANF or the general revenue maintenance of effort (MOE) funding because all TANF/MOE must be spent on one of the four purposes of the TANF program. (See §208.010 for purposes.)

Low-Income Home Energy Program (LIHEAP)

In federal fiscal year 2013, there were 167 claims filed for the LIHEAP program. The FSD is unable to determine how many individuals may be permanently disqualified as a result of this section. Since LIHEAP benefits are for the household, one individual who is permanently disqualified would prevent the entire household from receiving LIHEAP benefits. However, since the LIHEAP program is a block grant program, any savings from ineligible households would be reinvested in the program.

Officials from the **DSS - Children's Division (CD)** state if enacted, 208.249.2 may have a fiscal impact on the CD, by reducing the number of families who are eligible for child care. This section would begin in the third year after the legislation passes.

ASSUMPTION (continued)

The CD reviewed the number of individuals 18 and older receiving Child Care Assistance who do not have a High School Diploma or GED. The legislation would impact approximately 3,549 households and 6,702 children on a monthly basis.

While education level is a field in the Family Assistance Management Information System (FAMIS) system, it is not a required field. The computer system would need modification to require capturing the education level field in order to meet the requirements of this legislation.

A review of FY 13 numbers, shows the Division could experience a cost savings of approximately \$24 million dollars.

From July 2012 to June 2013, \$23,994,823 was spent in child care assistance to families where the parent/caretaker did not have a High School Diploma or GED. In FY 14, Child Care Assistance has a net available appropriation of \$64,255,403 in General Revenue and \$111,406,107 in Federal Funds which includes Fund 0610 (Dept. of Social Services and Other) and TANF. (Early Childhood Development and Education funding is not considered in this instance because it is designated for specific purposes.) The savings are estimated to be 36.58% GR and 63.42% Federal Funds.

Because the number of families losing their eligibility due to not receiving a high school diploma or GED is unknown, the CD is showing the impact as “unknown, up to the total amount of child care paid on behalf of this group of families”.

Full Year: \$8,777,091 GR; \$15,217,732 FF; \$23,994,823 Total
10 Months: \$7,311,317 GR; \$12,676,371 FF; \$19,987,688 Total

The Federal Administration for Children and Families (ACF) gives latitude in the implementation of state plans and there is nothing to specifically prohibit requiring a GED or a high school diploma before giving child care assistance. However, it is unlikely that the ACF would approve the Child Care State Plan with the change proposed in this legislation as the only justification for the change would be compliance with state law.

Oversight notes this proposal, if passed, goes into effect August 28, 2014. Recipients that do not currently have a high school diploma or GED have two years in which to obtain their GED. Therefore, CD assumes 10 months for FY 17, because two full years would not pass until August, 2016 and recipients could not begin to lose their child care benefits until after August 28, 2016; therefore, potential savings are only for 10 months for FY 17.

HWC:LR:OD

ASSUMPTION (continued)

Officials from the **DSS - Division of Legal Services (DLS)** state for section 208.249.3, the methodology used to determine the need for 29 additional FTE for DLS investigations to meet the sixty (60) day investigation completion requirement in the proposed bill was based on the average time it takes an investigator to complete an investigation. The average days to complete an investigation is 154 days. To reduce the number of days to sixty (60) days would require approximately 2.5 times more staff. $154 \text{ days} / 60 \text{ days} = 2.56$ times the current staffing level; 2.56×19 (current staffing level) = 48.64 staff. 48 new staffing requirement (rounded) - 19 current staffing level = 29 additional staff investigators.

Therefore, the DLS assumes it will need an additional 29 FTE investigator (\$26,960 annually, each) and 6 FTE office support assistant (\$22,308 annually, each) (ratio 1:5) to support the 29 investigators. The clerical positions will handle duties such as filing reports, mailing and general administrative functions in order to support the investigators in performing their primary function.

Section 1 - Welfare-to-Work Program

Officials from the **DSS - FSD** state this section requires DSS to establish and implement a welfare-to-work program that requires all TANF families to make at least twenty (20) job contacts per week. Recipients may work as unpaid interns for a governmental entity and shall be required to only make ten (10) job contacts per week if they do so. After the first month of making job contacts, any recipient that has not obtained employment that provides on average twenty hours per week of employment shall be required to work as an unpaid intern for a governmental entity and shall be required to only make ten (10) job contacts per week. Any county, city, or other political subdivision shall be allowed to submit to the DSS available intern positions in which recipients may be placed. This section is subject to appropriation and to waivers of requirements under federal law. However, a waiver of federal requirements is not necessary for the Temporary Assistance (TA) program as it is a block grant program.

Under federal law found at 42 USC 603, welfare-to-work grants are administered by the U.S. Department of Labor. Therefore, the FSD would have to make an application for such a grant. However, the FSD would be able to require the twenty job contacts per week or the ten job contacts per week plus unpaid intern work without applying for or receiving a welfare-to-work grant.

The FSD estimates there were 28,839 parents/caretakers age 18 or older not enrolled in school receiving TA benefits in November 2013. These parents/caretakers would be required to comply with the provisions of this section. The FSD is unable to determine how many of these

ASSUMPTION (continued)

parents/caretakers would fail to comply with this requirement. Additionally, since the penalties for non-compliance are not outlined in this legislation, the FSD is unable to determine the fiscal impact of this section. However, the FSD anticipates that any penalties imposed under this section would result in a reduction of TANF spending on cash assistance, but not a savings in TANF or the general revenue maintenance of effort (MOE) funding because all TANF/MOE must be spent on one of the four purposes of the TANF program. (See §208.010 for purposes.)

Section 2 - Educational Requirement

Officials from the **DSS - DLS** state the FSD provided that in November 2013, there were 86,588 individuals receiving Temporary Assistance for Needy Benefits (TANF or TA) benefits, of which 30,117 were age 18 or older. The FSD estimates that 47%, or 14,434, of individuals age 18 or older do not have at least a high school diploma or GED.

DLS anticipates that additional administrative hearings may be requested to contest the lack of a high school diploma. Assuming ten (10) percent of the 14,434 individuals affected by this legislation request a hearing, DLS anticipates that the legislation could result in at least 1,443 (rounded) additional hearings. DLS believes that it will take approximately two hours to conduct each hearing required by this proposal. This will include hearing preparation, the actual hearing and the writing and reviewing of the hearing decision. The hearings should not require complex evidence or facts. DLS assumes that hearing officers can hold approximately 900 hearings per year. Therefore, this proposal would result in the need of 1.6 FTE additional hearing officer (1,443 additional hearings/900 hearings per year = 1.60 FTE; rounded down to 1).

In addition, DLS anticipates that additional administrative hearings may be requested to contest the lack of a high school diploma that result in LIHEAP disqualifications. DLS assumes that ten (10%) percent of the 43,682 households affected by this legislation would request a hearing relating only to LIHEAP benefits. DLS anticipates that the legislation would result in at least 4,368 (rounded) additional hearings. DLS believes that it will take approximately two hours to conduct each hearing required by this proposal. This will include hearing preparation, the actual hearing and the writing and reviewing of the hearing decision. The hearings should not require complex evidence or facts. DLS assumes that their hearing officers can hold approximately 900 hearings per year. This would result in the need of an additional four hearing officers (4,368 hearings/900 hearings per year = 4.8 FTE; rounded down to 4).

Therefore, DSS-DLS assumes the provisions of Section 2 would require an additional five (5) hearing officer FTE (\$38,540 annually, each) and one (1) office support assistant (\$ 22,308) (ratio 1:5). The clerical position will hand duties such as filing of reports and decisions, mailing and general administrative functions in order to support the hearing officers in performing their primary functions.

ASSUMPTION (continued)

Officials from the **DSS - FSD** state this section requires all recipients age eighteen (18) or older of the Temporary Assistance, Food Stamp, MO HealthNet and Low-Income Home Energy Assistance (LIHEAP) programs to possess a high school diploma or graduate equivalency diploma (GED). Any applicant who, at the time of their application for assistance, does not possess a high school diploma or GED as required by this provision shall have two years from the date of the application for assistance to obtain a high school diploma. The applicant shall receive assistance during such two-year period if all other eligibility requirements are satisfied. This section is subject to appropriation and to waivers of requirements under federal law.

Food Stamps

The FSD would request a waiver of federal requirements as required by this section. Federal rules found at 7 CFR 273.2 specifies that states must base food stamp eligibility solely on the criteria contained in the Food Stamp Act and in the federal rules. The Food Stamp Act and federal rules do not require recipients age 18 or older to possess a high school diploma or GED. Therefore, the FSD anticipates such a waiver would not be approved by the US Department of Agriculture.

MO HealthNet

The FSD would request a waiver of federal requirements as required by this section. Federal law found at 42 USC 1396a sets forth the criteria for who must be covered under a state's Medicaid plan. If individuals applying for Medicaid meet the criteria set forth in federal law, states must cover those individuals. Adding a requirement for all recipients age 18 or older to possess a high school diploma or GED would be adding an eligibility requirement that is not in federal law. Therefore, the FSD believes such a waiver would not be approved by the Department of Health and Human Services.

Temporary Assistance

A waiver of federal requirements is not necessary for the Temporary Assistance (TA) program as it is a block grant program. In November 2013, there were 86,588 individuals receiving Temporary Assistance (TA) benefits, of which 30,117 were age 18 or older. The FSD estimates that 47% or 14,155 of individuals age 18 or older do not have at least a high school diploma or GED. Since the proposed legislation does not outline who is required to possess a high school diploma/GED, it is difficult to project how many individuals would be impacted by this section. For example, it is difficult at this time to determine if any exceptions would be allowed for disabled or elderly individuals who are unable to attend classes to obtain a diploma or GED. Since the proposed legislation also does not specify if remaining household members would be eligible for assistance after the two-year period if the applicant is not successful in obtaining a high school diploma or GED, the FSD is unable to determine a fiscal impact. However, the FSD

ASSUMPTION (continued)

anticipates some individuals and/or families would lose eligibility for assistance as a result of this section. This would result in a reduction of TANF spending on cash assistance, but not a savings in TANF or the general revenue maintenance of effort (MOE) funding because all TANF/MOE must be spent on one of the four purposes of the TANF program.

Low-Income Home Energy Program (LIHEAP)

A waiver of federal requirements is not necessary for the LIHEAP program as it is a block grant program. In Federal FY13, there were 145,605 Missouri households that received LIHEAP benefits. The LIHEAP program currently does not capture educational levels of household individuals. However, the FSD estimates approximately 30% or 43,682 households have a household member age 18 or older who does not have a high school diploma or GED. Since LIHEAP benefits are for the household, one household member age 18 or older without a high school diploma or GED would prevent the entire household from receiving LIHEAP benefits after the two-year period. However, since the LIHEAP program is a block grant program, any savings from ineligible households would be reinvested in the program.

FSD assumes existing Central Office Program Development Specialists in the Policy Unit will be able to complete necessary policy and/or forms changes resulting from this proposal.

There will be changes to the Family Assistance Management Information System (FAMIS) and Missouri Eligibility Determination and Enrollment System (MEDES) if this proposal becomes law. The cost incurred will be outlined in the Office of Administration (OA) -Information Technology Services Division (ITSD) fiscal note.

Officials from the **DSS - MHD** state this new section requires all recipients of TANF, food stamps, child care assistance, supplemental nutrition assistance (SNAP), or any other similar governmental assistance program who are eighteen years of age or older to possess a high school diploma or graduate equivalency diploma. It is assumed this legislation pertains to Medicaid (MO HealthNet) eligibility. Federal law found at 42 USC 1396a sets forth the criteria for who must be covered under a state's Medicaid plan.

The MO HealthNet Division provides medical assistance to eligible individuals through the federal and state Medicaid program. Federal matching funds for the costs of these programs are available to states that elect to participate. As a condition of participation, states must cover certain populations and services that are considered mandatory. If states do not cover these mandatory populations and services, they lose their federal matching funds.

Federal matching funds for FY 15 are expected to be about \$3.5 billion. The fiscal impact to MO HealthNet could be a loss of federal funding unknown but greater than \$3.5 billion.

ASSUMPTION (continued)

Officials from the **DESE** state per officials from the Department of Social Services (DSS), the number of households on food stamps is 429,633. Thirty-one percent (31%) of those households, or 133,186, do not have a high school credential. Therefore, assuming these people would want to continue receiving food stamps, as well as other public assistance, the DESE assumed the majority would try to test for a high school credential.

The graduate equivalency diploma (GED) system currently tests approximately 13,000 individuals per year. Based on the estimates provided by DSS, this proposal could result in a ten-fold increase in the number of applicants per year. The test taker would bear the burden of paying for the cost of the test and scoring the test. The testing centers that are currently available around the state would not have the capacity to support the increase in the number of test-takers. DESE would be required to hire at least 2 FTE Administrative Assistants (\$32,064 each, annually) to handle the increase in the workload.

Additional Information: DSS provided the number of households on Temporary Assistance for Needy Families (TANF) and food stamps. Individuals on TANF also receive food stamps, so those figures do not represent a double count. However, the figures do not account for the other public assistance programs sited in section 2 (i.e. child care assistance, supplemental nutrition assistance, or other similar governmental assistance). DESE was unable to obtain information as to the number of those individuals who don't have a high school certificate. Therefore, the impact is likely greater than presented.

DESE estimates FY 15 cost to the General Revenue Fund of \$86,519; FY 16 costs of \$101,793; and FY 17 costs of \$103,828.

Oversight has, for fiscal note purposes only, changed the starting salary for Administrative Assistant to correspond to the second step above minimum for 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 DESE does not need 2 FTE Administrative Assistant to handle the additional workload; Oversight assumes DESE would need 1 Administrative Assistant (\$28,824 annually) to handle the additional workload.

ASSUMPTION (continued)

Bill as a Whole

Officials from the **Office of Administration (OA) - Information Technology Services Division (ITSD)/DSS** state the proposal would require modifications to the Family Assistance Management Information System (FAMIS), Electronic Benefit Transfer (EBT), MO HealthNet Health Insurance Premium Payment (HIPP) program, and the Missouri Work Assistance (MWA) program systems. Within FAMIS, both the Temporary Assistance for Needy Families (TANF) and Food Stamps programs are impacted and, therefore, broken out accordingly.

FAMIS Estimates

TANF Contractor Staff

<u>Section</u>	<u>Work Effort (hours)</u>
208.010.3	250
208.042	<u>600</u>
Total Hours	850

Rate: \$90/hour X 850 hours = \$76,500

TANF State Staff

<u>Section</u>	<u>Work Effort (hours)</u>
208.031	140

Rate: \$63.04/hour X 140 hours = \$8,826 (rounded)

Food Stamp State Staff

<u>Section</u>	<u>Work Effort (hours)</u>
208.010.3	4,500
208.048.2	1,500
208.182.1	1,500
208.249.2	<u>3,600</u>
Total Hours	11,100

Rate: \$63.04/hour X 11,100 hours = \$699,744

FAMIS Total Costs: \$76,500 + \$8,826 + \$699,744 = **\$785,070** (rounded)

TANF is 100% General Revenue (GR)

Food Stamps is 50% GR/50% Federal

HWC:LR:OD

ASSUMPTION (continued)

MO HealthNet (HIPP) Estimates

Medicaid Contractor Staff

<u>Section</u>	<u>Work Effort (hours)</u>
208.152.12	300

Rate: \$90/hour X 300 hours = \$27,000
Medicaid is 50% GR/50% Federal

MWA Systems Estimates

MWA State Staff

<u>Section</u>	<u>Work Effort (hours)</u>
208.249.1	305

Rate: \$63.04/hour X 305 hours = \$19,227 (rounded)
MWA is 100% GR

TOTAL COSTS

FAMIS	\$785,070
MO HealthNet	\$ 27,000
MWA	<u>\$ 19,227</u>
	\$831,297

Officials from the **Office of State Courts Administrator (CTS)** indicate they would not expect the proposal to have a significant fiscal impact on the courts. However, if other similar bills pass that result in additional duties to the courts, the combined impact could result in a request for additional appropriations.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Mental Health (DMH)** assume the changes in this proposal affect the cash benefit portions of these programs, but do not impact the Medicaid eligibility aspects of the affected clients. Therefore, there is no fiscal impact to the DMH.

ASSUMPTION (continued)

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Officials from the **Office of Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect that additional funding would be required to meet these costs. However, it is also recognized that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **OA - Administrative Hearing Commission**, the **OA - Division of Personnel**, the **Department of Mental Health**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, and the **Francis Howell School District** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Savings - DSS-MHD (§208.152.12)</u>			
Lower costs for new HIPP cases	\$1,988,710	\$2,386,452	\$2,386,452
<u>Savings - DSS-CD (§208.249)</u>			
Child care assistance savings	<u>\$0</u>	<u>\$0</u>	<u>Unknown, up to \$7,311,317</u>
Total <u>All Savings</u> - DSS	<u>\$1,988,710</u>	<u>\$2,386,452</u>	<u>Unknown, up to \$9,697,769</u>
<u>Costs - DSS-FSD (§208.027)</u>			
Training and additional drug test costs	(Unknown)	(Unknown)	(Unknown)
<u>Costs - DSS-FSD (§208.042.2)</u>			
Work activities exclusion	(Unknown)	(Unknown)	(Unknown)
<u>Costs - DSS-MHD (§208.152.12)</u>			
Personal service	(\$227,490)	(\$275,718)	(\$278,475)
Fringe benefits	(\$116,031)	(\$140,630)	(\$142,036)
Equipment and expense	(\$103,452)	(\$35,643)	(\$36,534)
MMIS changes	<u>(Unknown, greater than \$500,000)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Cost</u> - DSS-MHD	<u>(Unknown, greater than \$946,973)</u>	<u>(\$451,991)</u>	<u>(\$457,045)</u>
FTE Change - DSS-MHD	8.5 FTE	8.5 FTE	8.5 FTE
<u>Costs - DSS-FSD (§208.182)</u>			
Equipment and expense for photo on EBT card	(Unknown, greater than \$157,566)	(Unknown, greater than \$50,717)	(Unknown, greater than \$50,717)
<u>Costs - DSS-DLS (§208.249)</u>			
Personal service	(\$556,853)	(\$675,137)	(\$681,888)
Fringe benefits	(\$284,023)	(\$344,354)	(\$347,797)
Equipment and expense	<u>(\$327,625)</u>	<u>(\$281,926)</u>	<u>(\$288,972)</u>
Total <u>Costs</u> - DSS-DLS	<u>(\$1,168,501)</u>	<u>(\$1,301,417)</u>	<u>(\$1,318,657)</u>
FTE Change - DSS-DLS	25.55 FTE	25.55 FTE	25.55 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND (continued)			
<u>Costs - DSS-DLS (Section 2)</u>			
Personal service	(\$130,750)	(\$158,526)	(\$160,110)
Fringe benefits	(\$66,689)	(\$80,856)	(\$81,664)
Equipment and expense	(\$56,112)	(\$48,399)	(\$49,608)
Total <u>Costs</u> - DSS-DLS	<u>(\$253,551)</u>	<u>(\$287,781)</u>	<u>(\$291,382)</u>
FTE Change - DSS-DLS	4.38 FTE	4.38 FTE	4.38 FTE
 Total <u>All Costs</u> - DSS	 <u>(Unknown, greater than \$2,526,591)</u>	 <u>(Unknown, greater than \$2,091,906)</u>	 <u>(Unknown, greater than \$2,117,801)</u>
 <u>Costs - OA-ITSD (various chapter 208 subsections)</u>			
Computer system changes	(\$467,925)	\$0	\$0
 <u>Costs - DESE (Section 2)</u>			
Personal service	(\$24,020)	(\$29,403)	(\$29,697)
Fringe benefits	(\$12,251)	(\$14,997)	(\$15,147)
Equipment and expense	(\$2,911)	(\$1,229)	(\$1,254)
Total <u>Cost</u> - DESE	<u>(\$39,182)</u>	<u>(\$45,629)</u>	<u>(\$46,098)</u>
FTE Change - DESE	1 FTE	1 FTE	1 FTE
 ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	 <u>(Unknown, greater than \$1,044,988)</u>	 <u>Unknown, less than \$248,917</u>	 <u>Unknown, less than \$7,533,870</u>
 Estimated Net FTE Change on the General Revenue Fund	 39.43 FTE	 39.43 FTE	 39.43 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
OTHER STATE FUNDS (various)			
<u>Costs - DSS-DLS (\$208.249)</u>			
Personal service	(\$76,281)	(\$92,485)	(\$93,409)
Fringe benefits	(\$38,907)	(\$47,172)	(\$47,642)
Equipment and expense	(\$44,880)	(\$38,261)	(\$39,585)
Total <u>Costs - DSS-DLS</u>	<u>(\$160,068)</u>	<u>(\$177,918)</u>	<u>(\$180,636)</u>
FTE Change - DSS-DLS	3.5 FTE	3.5 FTE	3.5 FTE
<u>Costs - DSS-DLS (Section 2)</u>			
Personal service	(\$17,911)	(\$21,716)	(\$21,933)
Fringe benefits	(\$9,135)	(\$11,076)	(\$11,187)
Equipment and expense	(\$7,863)	(\$6,846)	(\$7,016)
Total <u>Cost - DSS-DLS</u>	<u>(\$34,909)</u>	<u>(\$39,638)</u>	<u>(\$40,136)</u>
FTE Change - DSS-DLS	0.6 FTE	0.6 FTE	0.6 FTE
ESTIMATED NET EFFECT ON OTHER STATE FUNDS (various)	<u>(\$194,977)</u>	<u>(\$217,556)</u>	<u>(\$220,772)</u>
Estimated Net FTE Effect on Other State Funds (various)	4.1 FTE	4.1 FTE	4.1 FTE
FEDERAL FUNDS			
<u>Income - OA-ITSD (various chapter 208 subsections)</u>			
Increase in reimbursements for computer system changes	\$363,372	\$0	\$0
<u>Income - DSS-FSD (\$208.027)</u>			
Program reimbursements	Unknown	Unknown	Unknown
<u>Income - DSS-MHD (\$208.152.12)</u>			
Program reimbursements	Unknown, greater than \$946,973	\$451,991	\$457,045
<u>Income - DSS-FSD (\$208.182)</u>			
Program reimbursements	Unknown, greater than \$157,566	Unknown, greater than \$50,717	Unknown, greater than \$50,717

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
FEDERAL FUNDS (continued)			
<u>Income- DSS-DLS (\$208.249)</u>			
Program reimbursements	\$272,116	\$303,071	\$307,156
<u>Income - DSS-DLS (Section 2)</u>			
Program reimbursement	\$59,046	\$67,019	\$67,857
<u>Savings - DSS-MHD (\$208.152.12)</u>			
Lower costs for new HIPP cases	\$3,400,018	\$4,080,021	\$4,080,021
<u>Savings - DSS-CD (\$208.249)</u>			
Child care assistance savings	\$0	\$0	Unknown, up to \$12,676,371
<u>Costs - OA-ITSD (various chapter 208 subsections)</u>			
Increase in expenditures for computer system changes	(\$363,372)	\$0	\$0
<u>Costs - DSS-FSD (\$208.027)</u>			
Training and additional drug test expenditures	(Unknown)	(Unknown)	(Unknown)
<u>Costs - DSS-MHD (\$208.152.12)</u>			
Personal service	(\$227,490)	(\$275,718)	(\$278,475)
Fringe benefits	(\$116,031)	(\$140,630)	(\$142,036)
Equipment and expense	(\$103,452)	(\$35,643)	(\$36,534)
MMIS changes	<u>(Unknown, greater than \$500,000)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Cost</u> - DSS-MHD	<u>(Unknown, greater than \$946,973)</u>	<u>(\$451,991)</u>	<u>(\$457,045)</u>
FTE Change - DSS-MHD	8.5 FTE	8.5 FTE	8.5 FTE
<u>Costs - DSS-FSD (\$208.182)</u>			
Program expenditures	(Unknown, greater than \$157,566)	(Unknown, greater than \$50,717)	(Unknown, greater than \$50,717)

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
FEDERAL FUNDS (continued)			
<u>Costs - DSS-DLS (\$208.249)</u>			
Personal service	(\$129,678)	(\$157,224)	(\$158,796)
Fringe benefits	(\$66,142)	(\$80,192)	(\$81,065)
Equipment and expense	<u>(\$76,296)</u>	<u>(\$65,655)</u>	<u>(\$67,295)</u>
Total <u>Costs - DSS-DLS</u>	<u>(\$272,116)</u>	<u>(\$303,071)</u>	<u>(\$307,156)</u>
FTE Change - DSS-DLS	5.95 FTE	5.95 FTE	5.95 FTE
 <u>Costs - DSS-DLS (Section 2)</u>			
Personal service	(\$30,448)	(\$36,917)	(\$37,286)
Fringe benefits	(\$15,530)	(\$18,830)	(\$19,018)
Equipment and expense	<u>(\$13,068)</u>	<u>(\$11,272)</u>	<u>(\$11,553)</u>
Total <u>Costs - DSS-DLS</u>	<u>(\$59,046)</u>	<u>(\$67,019)</u>	<u>(\$67,857)</u>
FTE Change - DSS-DLS	1.02 FTE	1.02 FTE	1.02 FTE
 <u>Loss - DSS-MHD (\$208.152.12)</u>			
Reduced reimbursement	(\$3,400,018)	(\$4,080,021)	(\$4,080,021)
 <u>Loss - DSS-CD DSS-CD (\$208.249)</u>			
Reduction in child care assistance funding	\$0	\$0	(Unknown, up to \$12,676,371)
 <u>Loss - DSS - MHD (Section 2)</u>			
Federal matching funds	<u>(Could exceed \$3,500,000,000)</u>	<u>(Could exceed \$3,500,000,000)</u>	<u>(Could exceed \$3,500,000,000)</u>
 ESTIMATED NET EFFECT ON FEDERAL FUNDS	 <u>(Could exceed \$3,500,000,000)</u>	 <u>(Could exceed \$3,500,000,000)</u>	 <u>(Could exceed \$3,500,000,000)</u>
 Estimated Net FTE Change on Federal Funds	 15.47 FTE	 15.47 FTE	 15.47 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2015 (10 Mo.)	 FY 2016	 FY 2017
	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could impact a wide variety of small businesses that provide goods and services to public assistance recipients including child care providers and retail grocery providers. It is assumed the impact is negative.

FISCAL DESCRIPTION

This proposal changes the laws regarding public assistance benefits. In its main provisions, the proposal: (1) Requires the Family Support Division within the Department of Social Services, when determining eligibility and the amount of public assistance benefits to be granted pursuant to federal aided programs, to take into account the income and resources of all relatives, members of the household, and any other individuals who are 21 years of age or older and living in the home; (2) Requires retail establishments accepting electronic benefit cards for payment to verify that the photograph on the card matches the identity of the person presenting the card; (3) Specifies that notwithstanding the department's screening program, case workers must be given the ultimate discretion to determine whether there is reasonable cause to believe an applicant or recipient engages in the illegal use of controlled substances. The department is prohibited from creating any rule or policy that would prohibit a caseworker from requiring a test for any applicant or recipient the case worker has reasonable cause to believe engages in the illegal use of controlled substances. Any department employee that interferes with the drug testing of the applicant or recipient when the case worker has reasonable cause will be subject to immediate termination of employment; (4) Requires that any applicant or recipient of temporary assistance for needy families (TANF) benefits who is found to have made a cash withdrawal at any casino, gambling casino, or gaming establishment after an administrative hearing conducted by the department to be declared ineligible for TANF benefits for a period of three years from the date of the administrative hearing decision. Other members of the household who remain eligible for TANF must continue to receive benefits as protective or vendor payments to a third-party payee; (5) Specifies that every TANF recipient 16 years of age or older, with the exception of recipients under the age of 19 who are enrolled full-time in high school, must participate in work activities in accordance with federal regulations; (6) Requires all recipients of TANF benefits to provide proof that all dependent children who are eligible for enrollment in a public school are enrolled and attending school regularly; (7) Requires the MO HealthNet Division within the department to screen all recipients of MO HealthNet benefits to determine if they are eligible to participate in the Health Insurance Premium Payment (HIPP) Program. All eligible recipients must participate in the program if it is determined to be cost effective for the division; (8) Requires the department to imprint a photograph of the recipient on all electronic benefit cards distributed for food stamps. The card will expire and be subject to renewal after three years; (9) Requires the department to establish rules and regulations that ensure compliance with federal law and take

FISCAL DESCRIPTION (continued)

into account individuals and households with special needs as well as ensuring that all appropriate household members or authorized representatives are able to access benefits as necessary; (10) Specifies that any person who knowingly and intentionally commits fraud in obtaining or attempting to obtain public assistance benefits must lose eligibility for the benefits permanently; (11) Specifies the requirements a public assistance benefits fraud investigation must meet to be sufficient; (12) Authorizes the department to terminate the employment of any fraud investigator who fails to comply with the requirements of a public assistance benefits fraud investigation; (13) Requires the department to establish and implement a welfare-to-work program that requires all recipients of TANF benefits to make at least 20 job contacts per week. Recipients must be allowed to work as unpaid interns for a governmental entity, and those working as interns are only required to make 10 job contacts per week. Any county, city or other political subdivision must be allowed to submit to the department available intern positions in which TANF recipients may be placed; and (14) Requires all recipients of TANF, food stamps, child care assistance, supplemental nutrition assistance, or any other similar governmental assistance program who are at least 18 years of age to possess a high school diploma or a graduate equivalency diploma. Any applicant who does not possess a high school diploma or graduate equivalency degree has two years from the date of the application for assistance to obtain a high school diploma and if all other eligibility criteria are met, must receive benefits during the two-year time period.

This legislation is not federally mandated, would not duplicate any other program, but would require additional capital improvements or rental space.

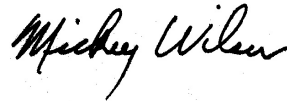
SOURCES OF INFORMATION

Office of Attorney General
Office of State Courts Administrator
Department of Elementary and Secondary Education
Department of Mental Health
Department of Health and Senior Services
Department of Labor and Industrial Relations
Department of Revenue
Department of Social Services -
 Children's Division
 Family Support Division
 Division of Legal Services
 MO HealthNet Division
Joint Commission on Administrative Rules

HWC:LR:OD

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Office of Secretary of State
Francis Howell School District



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