

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6064-01  
Bill No.: HB 1880  
Subject: Public Assistance; Drugs and Controlled Substances  
Type: Original  
Date: February 24, 2014

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Bill Summary: This proposal repeals the provision requiring an automatic administrative hearing after an applicant or recipient of temporary assistance for needy families benefits tests positive for a controlled substance.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	Unknown, greater than \$22,500	Unknown, greater than \$22,500	Unknown, greater than \$22,500
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>Unknown, greater than \$22,500</b>	<b>Unknown, greater than \$27,000</b>	<b>Unknown, greater than \$27,000</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Savings and losses net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Social Services (DSS) - Division of Legal Services (DLS)** state this proposal amends Section 208.027 to remove the requirement for a mandatory administrative hearing if an individual has refused to be tested or has tested positive for illegal use of controlled substances. This proposal adds a new paragraph two (2) to Section 208.027 that allows an individual to request an administrative hearing be conducted by the DSS under the provisions of chapter 536, RSMo, if an individual has refused to be tested or has tested positive for the illegal use of controlled substances.

DLS anticipates that the proposed legislation would have an unknown fiscal impact on the division. DLS anticipates a decrease in administrative hearings. However, it is not possible to estimate the decrease in the number of such hearings because at this time all such hearings are mandatory. It is not possible to estimate how many individuals will elect to have a hearing once the mandatory hearing requirement is removed. DLS believes that it will take approximately two hours to conduct each hearing. This will include hearing preparation, the actual hearing and the writing and reviewing of the hearing. DLS assumes that hearing officers can hold approximately 900 hearings per year. Therefore, once the number of potential hearings can be estimated it will be possible to determine the fiscal impact.

DLS assumes an "Unknown, greater than \$100,000" savings, annually, as result of this proposal. The General Revenue (GR)/Federal match for these expenditures is 27%/73%.

Officials from the **DSS - Family Support Division (FSD)** state section 208.027 defines the method used by FSD to screen Temporary Assistance for Needy Families (TANF) participants for drug abuse. The screening is completed for every new applicant. Based upon the screening response, an applicant may be referred for drug testing. If the drug test is returned with a positive result or the participant does not show up for the drug test, they are given an automatic administrative hearing at that time.

This legislation removes all automated administrative hearings and requires that participants request a hearing. Since, currently, there are automated systems in place to initiate the hearing process, the Information Technology Services Division (ITSD) will need to delete this coding from the programs. This can be done with existing staff and/or resources.

There is no fiscal impact to FSD.

FISCAL IMPACT - State Government

FY 2015  
(10 Mo.)

FY 2016

FY 2017

**GENERAL REVENUE FUND**

Savings - DSS-DLS (§208.027)

Reduction in administrative hearing costs

Unknown,  
greater than  
\$22,500

Unknown,  
greater than  
\$27,000

Unknown,  
greater than  
\$27,000

**ESTIMATED NET EFFECT ON THE  
GENERAL REVENUE FUND**

Unknown,  
greater than  
\$22,500

Unknown,  
greater than  
\$27,000

Unknown,  
greater than  
\$27,000

**FEDERAL FUNDS**

Savings - DSS-DLS (§208.027)

Reduction in administrative hearing costs

Unknown,  
greater than  
\$60,833

Unknown,  
greater than  
\$73,000

Unknown,  
greater than  
\$73,000

Loss - DSS-DLS (§208.027)

Reduction in reimbursements for administrative hearing costs

(Unknown,  
greater than  
\$60,833)

(Unknown,  
greater than  
\$73,000)

(Unknown,  
greater than  
\$73,000)

**ESTIMATED NET EFFECT ON  
FEDERAL FUNDS**

\$0

\$0

\$0

FISCAL IMPACT - Local Government

FY 2015  
(10 Mo.)

FY 2016

FY 2017

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

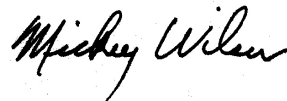
FISCAL DESCRIPTION

This proposal repeals the provision requiring an automatic administrative hearing after an applicant or recipient of temporary assistance for needy families benefits tests positive for a controlled substance or refuses to test. The applicant may request an administrative hearing.

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 Social Services -  
Family Support Division  
Division of Legal Services



Mickey Wilson, CPA  
Director  
February 24, 2014

Ross Strobe  
Assistant Director  
February 24, 2014