

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1584-01  
Bill No.: HB 796  
Subject: Public Assistance; Social Services Department; Federal - State Relations  
Type: Original  
Date: March 12, 2015  
# Corrected bill number on pages 2 - 6.

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Bill Summary: This proposal requires the Department of Social Services to allow the state's current supplemental nutrition assistance program work requirement waiver to expire.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$122,632)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$122,632)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<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 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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>

\* Income and expenditures net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

**Oversight** notes in response to similar legislation from the current session (SB 24) for §208.244.1, the Department of Social Services (DSS), Family Support Division stated:

This section removes the waiver of the work requirements for the Supplemental Nutrition Assistance Program (SNAP), or Food Stamp (FS) program.

Applying the work requirement policy is labor intensive for staff and would require staff training. FSD assumes the training will be provided online and FSD would absorb the costs of the development of the training and the additional duties for field staff to verify that work requirement are met for approximately 45,000 (October 2014) participants subject to the work requirement.

Costly programming is required to implement the policy. Work requirement data currently in Family Assistance Management Information System (FAMIS) must be removed. The appropriate path to enter work requirement data must be activated in the system. Alerts detailing 3 month time limit without meeting the work requirement must be activated.

Appropriate notices concerning the policy must be mailed to all participants notifying them of the reinstatement of work requirement policy at a cost of **\$160,964** [392,593 FS households X \$0.41 postage = \$160,963.13, rounded up (split 50/50 GR and Federal)].

Office of Administration (OA), Information Technology Services Division (ITSD) stated this involves changing a technical determination module in FAMIS as well as related rules table value changes related to waiver counties. The estimated cost is **\$12,975** (173 contractor hours X \$75/hr).

In addition, for §208.244.2, savings due to modifications to the SNAP or TA programs, FSD stated this section states that any cost savings due to modifications in the SNAP or Temporary Assistance (TA) programs shall be used to provide child care assistance for single parent households, education assistance and job training.

ASSUMPTION (continued)

Under section 208.244.1, if fewer individuals receive food stamp benefits, there may be a reduction in the program's administrative costs long term. Any savings could be redirected to other programs as required in 208.244.2, with the exception of child care assistance. In the short term, administrative costs are expected to increase due to training, administrative complexity of the work requirement policy, systems requirements and mass mailing.

Any cost savings resulting from these modifications in the temporary assistance for needy families (TANF) program 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.

OA-ITSD stated from the limited information provided, it appears like a one-time adjustment process might have to happen in FAMIS. Costs are estimated to be **\$29,175** (389 contractor hours x \$75/hr).

**Oversight** notes that the total costs for this proposal for ITSD would be **\$42,150** (\$12,975 + \$29,175) using only the information from SB 24 which applies to this current proposal. However, since SB 24 had significantly more IT costs projected than this proposal, Oversight assumes ITSD may incur more expense than estimated. Therefore, if the time and expense necessary to complete the proposed changes exceed estimates, it may be necessary for OA-ITSD to seek additional funding through the appropriations process.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE FUND</b> (\$208.025)			
<u>Costs - DSS- FSD (\$208.025)</u>			
Postage and mailing costs	(\$80,482)	\$0	\$0
<u>Costs - OA-ITSD</u>			
System changes/updates	<u>(\$42,150)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$122,632)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>FEDERAL FUNDS (\$208.025)</b>			
<u>Income - DSS-FSD</u>			
Increase in program reimbursements	\$80,782	\$0	\$0
<u>Costs - DSS-FSD</u>			
Increase in program expenditures	<u>(\$80,782)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2016 (10 Mo.)	 FY 2017	 FY 2018
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

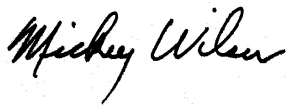
FISCAL DESCRIPTION

This proposal requires the Department of Social Services to allow the current federal waiver of the Supplemental Nutrition Assistance Program (SNAP) work requirements for able-bodied adults without dependents to expire and prohibits the department from seeking an extension of the waiver. Any ongoing savings resulting from a reduction in state expenditures due to the expiration of the waiver must be used to provide child care assistance for single parent households, education assistance, and job training for individuals receiving benefits under the program.

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  
Office of Administration -  
Information Technology Services Division

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
March 12, 2015

Ross Strobe  
Assistant Director  
March 12, 2015