

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1528-01  
Bill No.: HB 660  
Subject: Social Services Department; Public Assistance  
Type: Original  
Date: March 8, 2019

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Bill Summary: This proposal requires the Department of Social Services to conduct a study on generational use of public assistance.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
General Revenue	(\$279,884 to \$1,282,003)	(\$250,000 to \$1,580,800)	\$0 to (\$81,608)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$279,884 to \$1,282,003)</b>	<b>(\$250,000 to \$1,580,800)</b>	<b>\$0 to (\$81,608)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<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 9 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
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 expenses in FY 2020 less than \$50,000 and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	0 or 0.41 FTE	0 or 1 FTE	0 or 1 FTE
Federal	0 or 0.59 FTE	0	0
<b>Total Estimated Net Effect on FTE</b>	<b>0 or 1</b>	<b>0 or 1</b>	<b>0 or 1</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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§208.1010 - Generational study**

Officials from the **Department of Social Services (DSS)** state the Family Support Division (FSD) currently collects relationship data on individuals that reside in the same household and the data is stored for 15 years. However, the FSD does not currently have the capability of tracking recipients that identify relationships among recipients across households.

The FSD would need to complete a request for proposal for an outside vendor to collect data on the generational use of all public assistance programs FSD administers in order to provide a report, as required by this proposed legislation.

The FSD estimates the cost of the study to be approximately \$250,000 per year for the next 2 years.

If this information would need to be tracked for future reporting, the eligibility systems could be modified to capture relationships among recipients across households to be used to track future generational use of public assistance.

However, due to the volume of data that would be collected on an ongoing basis, the FSD would have to contract with a vendor to complete the analysis of the information. The cost to complete this is unknown. FSD estimates the cost will be up to \$1 million per year to complete the analysis, with the analysis continuing into FY 2022.

**Oversight** notes the provisions of 208.1010 require the DSS to issue a report on or before January 1, 2021. Oversight does not have any information to the contrary but assumes the analysis of data would have to be completed by the time the report is issued. Therefore, Oversight will reflect the costs provided by DSS for FY 2020 and FY 2021.

**DSS** officials provided the response for **Office of Administration (OA), Information Technology Services Division (ITSD)**. ITSD assumes that every new IT project/system will be bid out because all ITSD resources are at full capacity. IT contract consultant costs are estimated at \$75 per hour.

This proposal will require changes to the Family Assistance Management Information System (FAMIS) and the Missouri Eligibility Determination and Enrollment System (MEDES). It is assumed a new program would have to be written for a one-time report of the data from FAMIS

ASSUMPTION (continued)

as FAMIS does not have a mechanism to obtain relationship information of participants prior to their respective programs being implemented in FAMIS. Also, for programs like Modified Adjusted Gross Income (MAGI), once they are moved out of FAMIS, any relationship information would be at MEDES and not FAMIS. Costs for this modification are estimated at **\$9,720** (129.6 hours \* \$75 = \$9,720; **\$5,152 GR; \$4,568 Federal** funds in FY 2020).

For MEDES, new programs would be written to provide an extract file that would be given to the DSS, Research and Evaluation (R&E) Unit. R&E would merge the data, identify the instances of multiple generations and remove duplicate instances. Data from the Curam database, MEDES Reference database and the Determination Summary Tables must be compared and reconciled and as a result analysis, design and test efforts will be higher. Each application will provide an extract file and R&E will merge the data, identify the instances of multiple generations at each generational level and remove duplicate instances (generation individuals/families being counted more than once). The relationship data in MEDES is flawed. It is assumed that current data remediation efforts will add missing relationship information and repair existing relationship data prior to extraction. Remediation efforts should take a little over one year. Some relationship data is being added/repared by querying FAMIS and updating MEDES for those individuals that can be found in both systems. Annual review functionality was implemented on February 26, 2018 with R2.2. After June of 2019, all existing cases in MEDES should have an annual review completed and this should include addition and correction of relationships. Costs for this modification are estimated at **\$10,206** (136.08 \* \$75 = \$10,206; **\$2,551 GR; \$7,655 Federal** funds in FY 2020).

There are some constraints that have to be considered including the availability of relationship data for the eligibility systems that coincides with multiple program implementations in FAMIS including:

- Child Care Assistance - April 2000;
- Food Stamps/SNAP - August 2003;
- Temporary Assistance - May 2005;
- Family Medicaid - May 2005;
- MO HealthNet for the Aged, Blind and Disabled - October 2010; and
- Some programs such as Temporary Medicaid for Pregnant Women, Presumptive Eligibility for Children, Refugee Assistance and Breast and Cervical Treatment Program that were never implemented in FAMIS so blood relationships have never been established in IM (Income Maintenance) for these.

It is assumed other systems have relationship data.

ASSUMPTION (continued)

Regarding the Division of Youth Services. If it is necessary to collect the Departmental Client Number (DCN) of a parent/guardian, a database restructure would be required as well as monthly/annual tape program changes. The DCNs could then be crossed checked with other systems. However, a definition would need to be provided for “generational”. DSS has many “members” who move from household to household so it would require identifying how they are related to the applicant. It is estimated these program changes would cost approximately **\$24,300** (324.00 hours \* \$75 = **\$24,300; 100% GR**).

Regarding the Energy Assistance Program. It is assumed clients have a DCN. It is possible to produce a file for household members but currently there is no way to tie various households as “generational”. As stated earlier, a definition would need to be provided for “generational”. Again, the DSS has many “members” who move from household to household so it would be necessary to identify how they are related to the applicant. At the present time, there is not a method of identifying how various household are related.

The assumption is other systems have relationship data. However, if this is not the case, a process would need to be developed to identify related households.

System changes are estimated to cost **\$37,260** (496.80 hours \* \$75 = \$37,260; 100% **Federal**).

**Oversight** notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out the programming changes needed to the FAMIS and MEDES systems.

ITSD estimates the FAMIS project would take 129.60 hours at a contract rate of \$75 per hour for a FY 2020 cost to the state of \$9,720 (\$5,152 GR; \$4,568 Federal funds). In addition, DYS system changes are estimated to take 324.00 hours at a contract rate of \$75 per hour for a FY 2020 cost to the state of \$24,300 (100% GR) and Energy Assistance system changes are estimated to take 496.80 hours at \$75 per hour for a FY 2020 cost to the state of \$37,260 (100% Federal); total costs in FY 2020 equal **\$71,280 (\$29,452 GR; \$41,828)**. Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000 per year when fringe benefits are added. Assuming all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire an additional IT Specialist to perform the work required from this bill on the FAMIS, DYS and Energy Assistance systems. Therefore, Oversight will range the fiscal impact from the cost of contracting out the work on FAMIS, DYS and Energy Assistance (\$71,280) to hiring an additional FTE IT Specialist (roughly \$80,000 per year) at the approximate percentages of GR/Federal to the total cost

ASSUMPTION (continued)

(\$29,452 GR = 41%; and \$41,828 Federal = 59%) for FY 2020 as assumed by ITSD. For fiscal note purposes, **Oversight** assumes the FTE would not qualify for the same match rate in FY 2021 and FY 2022 and that 100 % of the costs for FY 2021 and FY 2022 would be GR if FTE were hired.

**Oversight** notes ITSD officials provided information relating to the MEDES system. The state has a maintenance and operations contract with Redmane to update the MEDES system. MEDES is build on an IBM proprietary software platform called Curum. Oversight assumes costs of \$10,206 (\$2,551 GR; \$7,655 Federal) to update the MEDES system will be contracted out to Redmane.

Officials from the **Department of Health and Senior Services (DHSS)** state the final sentence of §208.1010 would allow the Department of Social Services to collaborate with the Department of Health and Senior Services in conducting a generational study of services provided by its Family Support Division, Children's Division, or MO HealthNet Division. Because the bill requires DSS to show the number of recipients who are second, third, or fourth generation recipients of such services, the Bureau of Vital Statistics (BVS) housed within DHSS expects to receive requests from DSS to create linkages between family members in the course of the study.

BVS already provides this kind of data to DSS regularly, so while the number of requests for this data would be expected to increase, it is assumed that there would be a marginal amount of additional work required of the bureau. Therefore, there is zero fiscal impact.

The department anticipates being able to absorb these costs. However, until the FY20 budget is final, the department cannot identify funding sources.

**Oversight** does not have any information to the contrary. Therefore, Oversight assumes the DHSS has existing staff and resources to perform the additional duties required by this proposal and will present no fiscal impact for the DHSS for fiscal note purposes.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>GENERAL REVENUE FUND</b>			
<u>Costs - DSS (\$208.1010)</u>			
FSD study	(\$250,000)	(\$250,000)	\$0
Contractor fees for analysis of information	<u>\$0 to</u> <u>(\$1,000,000)</u>	<u>\$0 to</u> <u>(\$1,250,000)</u>	<u>\$0</u>
	<u>(\$250,000 to</u>	<u>(\$250,000 to</u>	
Total <u>Costs</u> - DSS	<u>\$1,250,000)</u>	<u>\$1,500,000)</u>	<u>\$0</u>
<u>Costs - OA, ITSD (\$208.1010)</u>			
FAMIS, DYS and Energy Assistance system changes (ranged from contracting out the programming to hiring additional 1 FTE IT Specialist)	(\$27,333 or \$29,452)	\$0 or (\$80,800)	\$0 or (\$81,608)
MEDES system changes	<u>(\$2,551)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Costs</u> - OA, ITSD	<u>(\$29,884 or</u> <u>\$32,003)</u>	<u>\$0 or (\$80,800)</u>	<u>\$0 or (\$81,608)</u>
FTE Change - OA, ITSD	0 or 0.41 FTE	0 or 1 FTE	0 or 1 FTE
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$279,884 to</u> <u>\$1,282,003)</u></b>	<b><u>(\$250,000 to</u> <u>\$1,580,800)</u></b>	<b><u>\$0 to (\$81,608)</u></b>
Estimated Net FTE Change on the General Revenue Fund	0 or 0.41 FTE	0 or 1 FTE	0 or 1 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>FEDERAL FUNDS</b>			
<u>Income</u> - OA, ITSD (§208.1010)			
Reimbursement for system updates	\$46,988 or \$49,483	\$0	\$0
<u>Costs</u> - OA, ITSD (§208.1010)			
MEDES system updates	(\$7,655)	\$0	\$0
FAMIS and Energy Assistance system changes ( ranged from contracting out the programming to hiring additional 1 FTE IT Specialist)	( \$39,333 or \$41,828)	<u>\$0</u>	<u>\$0</u>
Total <u>Costs</u> - OA, ITSD	(\$46,988 or \$49,483)		
FTE Change - OA, ITSD	0 or 0.59 FTE	0 FTE	0 FTE
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
Estimated Net FTE Change on Federal Funds	0 or 0.59 FTE	0 FTE	0 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2020 (10 Mo.)	 FY 2021	 FY 2022
	<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 bill requires the Department of Social Services to conduct a study on the generational use of public assistance and determine how many recipients of benefits are the children, grandchildren, or great-grandchildren of individuals who have also received such benefits. The department



FISCAL DESCRIPTION (continued)

must delineate its findings by showing how many recipients are members of the second, third, or fourth generation of individuals who have received such benefits. The department must submit a report to the General Assembly by January 1, 2021.

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 Social Services  
Office of Administration -  
Information Technology Services Division



Kyle Rieman  
Director  
March 8, 2019

Ross Strobe  
Assistant Director  
March 8, 2019