

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3766-01
Bill No.: SB 613
Subject: Public Assistance; Crime and Punishment
Type: Original
Date: February 9, 2010

Bill Summary: This legislation modifies the eligibility requirements for food stamp.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(\$288,195)	(\$633,685)	(\$951,710)
Total Estimated Net Effect on General Revenue Fund	(\$288,195)	(\$633,685)	(\$951,710)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and costs of approximately \$288,195 in FY11, \$633,685 in FY12 and \$951,710 in FY13 would net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	5.5 FTE	11 FTE	16.5 FTE
Federal	5.5 FTE	11 FTE	16.5 FTE
Total Estimated Net Effect on FTE	11 FTE	22 FTE	33 FTE

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 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 208.247:

Officials from the **Department of Health and Senior Services** and the **Department of Mental Health** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Social Services-Division of Legal Services** state during FY09, the hearing unit conducted 98 hearings on the issue of convicted drug felons being prohibited from receiving Food Stamp benefits. There were 11,532 total hearing requests in FY09. By eliminating the prohibition of convicted drug felons receiving Food Stamp benefits, this would only reduce the number of hearings by 98 (less than one percent). This would have no fiscal impact.

DLS-Litigation does not anticipate any fiscal impact. The proposal will expand the number of additional food stamp recipients and it is, therefore, not expected to generate any litigation.

Officials from the **Department of Social Services-Family Support Division** state the legislation could add up to a total of 19,332 cases to the Food Stamp caseloads. The FSD anticipates these to phase in over a period of time, with 15% receiving the first year, and 15% each year for five years (75%). FSD arrived at this number in this manner: There are currently 23,077 persons known to FAMIS as having a felony drug conviction. 3,745 of these people are already known to FSD as they are currently on an active Food Stamp case, however not receiving Food Stamps.

$23,077 - 3,745 = 19,332 \times 15\% = 2,900$ new cases added each year over a period of five years. Not all individuals will qualify for Food Stamps under this proposal.

Funding Requirements based on Staffing Needs:

The FSD estimates a total of 8 new Eligibility Specialists would be needed each year to maintain the increased caseload size and take applications. This is based on a caseload standard of 350 ($2,900/350 = 8.29$, rounded down to 8).

On a 10-1 ratio, Eligibility Specialist to Eligibility Supervisor, FSD would need 1 new Eligibility Supervisors ($8/10 = 0.80$, rounded up to 1).

On a ratio of 6-1 Eligibility Specialist/Eligibility Supervisor to Professional Staff, FSD would need an additional 1 professional staff. ($8 + 1 = 9/6 = 1.5$, rounded up to 2. $2 \times 75\% = 1.5$, rounded up to 2 OSA.

ASSUMPTION (continued)

Total new FTE: $8 + 1 + 2 = 11$ per year x 5 years = 55 new staff total.

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

Other Funding Requirements:

There will be FAMIS costs to implement the programming changes necessary to accommodate the changes made by this legislation. FAMIS estimates the cost to be \$11,748 (132 hours x \$89/hour (average per hour rate) = \$11,748).

The Food Stamp application form would need to be modified to remove a reference to drug felony convictions related to illegal possession or use. An initial supply would need to be printed and distributed to the FSD's county offices as a result of this proposed legislation. The FSD estimates the cost to modify, print, and distribute the application form would be \$2,140.58. This is based on a cost of \$1,787.96 to modify and print an initial supply of the application form. Costs to distribute an initial supply to each of the 115 FSD county offices would be \$352.62. ($\$1787.96 + \$352.62 = \2140.58)

There will be increased EBT costs to process the additional Food Stamp payments to recipients. In FY11, the cost of EBT services to process each Food Stamp case will be \$1.53. Since it is projected that 2,900 new cases would be added each year over a period of five years, the estimated increased cost for EBT is FY11: $2,900 \text{ cases} \times 10 \text{ months} \times \$1.53 = \$44,370$;
FY12: $5,800 (2,900 + 2,900) \text{ cases} \times 12 \text{ months} \times \$1.53 = \$106,488$
FY13: $8,700 (5,800 + 2,900) \text{ cases} \times 12 \text{ months} \times \$1.53 = \$159,732$

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE FUND			
<u>Costs</u> - Department of Social Services			
Personal Service - FSD	(\$130,702)	(\$321,655)	(\$494,545)
Fringe Benefits - FSD	(\$68,540)	(\$168,676)	(\$259,339)
Equipment and Expense - FSD	(\$88,953)	(\$143,354)	(\$197,826)
<u>Total Costs - DSS</u>	<u>(\$288,195)</u>	<u>(\$633,685)</u>	<u>(\$951,710)</u>
FTE Change - DSS	5.5 FTE	11 FTE	16.5 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
	<u>(\$288,195)</u>	<u>(\$633,685)</u>	<u>(\$951,710)</u>
Estimated Net FTE Change for General Revenue Fund	5.5 FTE	11 FTE	16.5 FTE
FEDERAL FUNDS			
<u>Income</u> - Department of Social Services			
Federal Assistance	\$288,195	\$633,685	\$951,710
<u>Costs</u> - Department of Social Services			
Personal Service - FSD	(\$130,702)	(\$321,655)	(\$494,545)
Fringe Benefits - FSD	(\$68,540)	(\$168,676)	(\$259,339)
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<u>Total Costs - DSS</u>	<u>(\$288,195)</u>	<u>(\$633,685)</u>	<u>(\$951,710)</u>
FTE Change - DSS	5.5 FTE	11 FTE	16.5 FTE
ESTIMATED NET EFFECT ON FEDERAL FUNDS			
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change for Federal Funds	5.5 FTE	11 FTE	16.5 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Additional Missouri residents will be eligible for Food Stamp benefits and will be using those benefits to purchase food at Missouri retailers.

FISCAL DESCRIPTION

Section 208.247:

The proposed legislation provides that pursuant to the option granted under the federal Personal Responsibility and Work Opportunity Act of 1996, an individual who has a felony conviction under federal or state law involving possession or use of a controlled substance shall be eligible for food stamp benefits.

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 Mental Health
Department of Health and Senior Services
Department of Social Services



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Director
February 9, 2010