

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1096-05
Bill No.: SCS for HCS for HB 343
Subject: Public Assistance; Medicaid; Social Services Department
Type: Original
Date: May 14, 2013

Bill Summary: This proposal modifies provisions relating to public assistance.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(Unknown, could exceed \$3,362,103)	(Unknown, could exceed \$3,051,605)	(Unknown, could exceed \$3,056,094)
Total Estimated Net Effect on General Revenue Fund	(Unknown, could exceed \$3,362,103)	(Unknown, could exceed \$3,051,605)	(Unknown, could exceed \$3,056,094)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 17 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Federal Funds*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income, savings, expenditures and losses net to \$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	1	1	1
Total Estimated Net Effect on FTE	1	1	1

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 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, Department of Social Services divisional responses have not received final management approval and are subject to change.

Officials from the **Office of Administration (OA) - Information Technology Services Division (ITSD)/Department of Social Services (DSS)** provide:

Passage of HB 343 would require modifications to the Family Assistance Management Information System (FAMIS), the Mo HealthNet Health Insurance Premium Payment (HIPP), and Missouri Work Assistance (MWA) systems. Within FAMIS, both Temporary Assistance for Needy Families (TANF) and Food Stamps are impacted and broken out accordingly.

FAMIS ESTIMATES

TANF Contractor Staff

Section	Work Effort(hours)
208.042.1	300
208.042.2 and 208.042.3	<u>350</u>
Total Hours:	650

Contractor Rate \$90.00/hr X 650 hrs = **\$58,500**

TANF is 100% GR

Food Stamp Contracted Staff

Section	Work Effort(hours)
208.247	<u>1,300</u>
Total Hours	1,300

Contractor Rate \$90.00/hr X 1300 hrs = **\$117,000**

Food Stamp State Staff

Section	Work Effort(hours)
208.048.2	1,500
208.247	220
208.249.2	<u>3,600</u>
Total Hours:	5,320

State Staff \$63.04/hr x 5,320 hours = **\$335,373** (rounded)

Food Stamps is 50% GR and 50% Federal

FAMIS Total Costs: \$58,500 + \$117,000 + \$ 335,373 = **\$ 510,873** (rounded)

ASSUMPTION (continued)

MO HEALTHNET (HIPP) ESTIMATES

Medicaid Contractor Staff

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

Contractor Rate \$90.00/hr X 300 hrs = **\$27,000**

Medicaid is 50% GR and 50% Federal

MWA SYSTEM ESTIMATES

MWA State Staff

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

State Staff Rate \$63.04/hr X 305 hrs = **\$19,227** (rounded)

MWA is 100% GR

TOTAL COSTS

FAMIS	\$ 510,873
Mo HealthNet	\$ 27,000
MWA	<u>\$ 19,227</u>
	<u>\$557,100</u>

Officials from the **Department of Social Services (DSS) - Family Support Division (FSD)** provide the following:

Section 208.027: There is no fiscal impact to the FSD for this section.

Section 208.042: Subsection 1 requires Temporary Assistance for Needy Families (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.

HWC:LR:OD

ASSUMPTION (continued)

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.

Subsection 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. Therefore, the FSD recommends removing "a child attending school full-time" from this subsection.

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. The FSD recommends removing "so remote from the location of any work activity that he cannot effectively participate" from this subsection since it is not an allowable exemption under federal regulations.

Subsection 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 39,341 families receiving Temporary Assistance (TA) in November 2012, 8,952 families are child only families that would not be impacted by this change. Of the remaining 30,389 families 26,356 (39,341 - 8,952) or 87% ($26,356 / 30,389 = 86.7\%$, rounded up to 87%) are one-parent families. One-parent families larger than 2 persons (1 parent and 1 child) would receive a lesser sanction under this section.

ASSUMPTION (continued)

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. The FSD recommends changing this language to sanction the non-compliant individual instead of discontinuing the individual's benefit.

Section 208.048: In November 2012, there were 19,090 Temporary Assistance (TA) 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:

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.

Section 208.152.12: There is no fiscal impact to the Family Support Division (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 income limits. Health insurance information that is gathered in both situations is shared with the MO HealthNet Division (MHD).

Section 208.247: This section would increase the Food Stamp caseloads. Based on the number of new releases from the Missouri Department of Corrections, overall recidivism rate, known factors within the Family Assistance Management Information System (FAMIS) and application rate, it is assumed that there will be a potential of 1,141 new cases for the Food Stamp Program. According to information from the Department of Corrections, the overall recidivism rate has been decreasing, which increases the number of potential new cases for the Food Stamp Program.

ASSUMPTION (continued)

Due to the change in organization structure and the requested new eligibility system, the FSD assumes existing staff will be able to maintain the increased caseload size and take applications.

There will be increased Electronic Benefit Transfer (EBT) costs to process the additional Food Stamp payments to recipients. In the past, the increased EBT costs could have been absorbed with core funding; however, caseloads have grown significantly and there is no longer sufficient funds available to absorb this increase in the caseload.

The cost of EBT services to process each Food Stamp case is \$0.59 per month. Since it is projected that 1,141 new cases would be added each year over a period of five years, the estimated increased cost for EBT is:

FY14: 1141 cases x 10 months x \$0.59 = \$6,732 (rounded up)
FY15: 2282 (1141 + 1141) cases x 12 months x \$0.59 = \$16,157 (rounded up)
FY16: 3423 (2282 + 1141) cases x 12 months x \$0.59 = \$24,235 (rounded up)
FY17: 4564 (3423 + 1141) cases x 12 months x \$0.59 = \$32,313 (rounded down)
FY18: 5705 (4564 + 1141) cases x 12 months x \$0.59 = \$40,391 (rounded down)

Match rates are assumed to be 50% Federal/50% General Revenue.

Section 208.249: There is no fiscal impact to the FSD for this section.

Section 1: There is no fiscal impact to the FSD for this section as the FSD currently administers the Missouri Work Assistance program which meets the requirements of this section.

Section 2:
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 or be working toward a high school diploma or high school equivalency certificate. 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 or be

ASSUMPTION (continued)

working toward a high school diploma or high school equivalency certificate 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 2012, there were 101,153 individuals receiving Temporary Assistance (TA) benefits, of which 35,404 were age 18 or older. The FSD estimates that 43% or 15,224 of individuals age 18 or older do not have at least a high school diploma or high school equivalency certificate. Since the proposed legislation does not outline who is required to possess a diploma/certificate, 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/certificate. Since the proposed legislation also does not specify if remaining household members would be eligible for assistance if a recipient is not working toward or fails to show proof he/she is working toward a diploma/certificate, 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.

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 fiscal year 2012, there were 166,600 households that received LIHEAP benefits. The LIHEAP program currently does not capture educational levels of household individuals. However, the FSD estimates approximately 31% or 51,464 households have a household member age 18 or older who does not have a high school diploma or high school equivalency certificate. Since LIHEAP benefits are for the household, one household member age 18 or older who does not possess, is not working toward, or fails to show proof he/she is working toward a diploma/certificate 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.

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.

Computer system programming changes will be needed; however, the FSD assumes these programming costs will be outlined in the OA-ITSD fiscal note.

ASSUMPTION (continued)

Officials from the **DSS - Division of Legal Services (DLS)** state the proposed amendment to §208.027 modifies §208.027.1 and .3 regarding drug testing of Temporary Assistance for Needy Families (TANF) recipients to provide that the benefits be "sanctioned" rather than the person being declared ineligible. The amendment modifies §208.027 by adding new language in §208.027.5 and .6 to provide that division employees may refer an applicant or recipient for drug testing if the employee has personal knowledge that the person may have engaged in the illegal use of a controlled substance and shall be immune from civil and criminal penalties. The DLS anticipates that the proposed legislation would have an unknown fiscal impact on DLS. DLS anticipates an increase in administrative hearings due to additional reporting by division employees of applicant or recipient drug abuse. However, it is not possible to estimate the number of such hearings because it is not possible to determine how many additional reports will be made. The DLS Administrative Hearings Unit assumes that their hearing officers can hold approximately 900 hearings per year. The hearings should not require complex evidence or facts. Therefore, once the number of potential hearings can be estimated it will be possible to determine the fiscal impact. DLS will defer to the fiscal note prepared by the Family Support Division (FSD) for the fiscal impact to FSD.

The proposed amendment to §208.042 strikes the provision that prohibits a TANF participant to be required to participate in work activities if the person is so remote from the location of any activity that such person cannot effectively participate. This change has no fiscal impact on DLS. DLS will defer to fiscal note prepared by FSD for the fiscal impact to FSD.

The proposed amendment to §208.048 requires proof of a child being in school upon the annual reverification, or in every instance of a physical meeting with a caseworker. DLS anticipates that the proposed legislation would have an unknown fiscal impact on DLS. DLS anticipates an increase in administrative hearings due to a reduction in the benefits received by households from temporary assistance, MO HealthNet (Medicaid), and food stamps if a child was determined to not be in school regularly. However, it is not possible to estimate the number of such hearings because it is not possible to determine how many households or the number of children in each household that will be impacted. It is not possible to accurately determine the number of individuals from those households that will request such a hearing. The DLS Administrative Hearings Unit assumes that their hearing officers can hold approximately 900 hearings per year. The hearings should not require complex evidence or facts. Therefore, once the number of potential hearings can be estimated it will be possible to determine the fiscal impact. DLS will defer to fiscal note prepared by FSD for the fiscal impact to FSD.

The proposed new § 208.249 provides that absent good cause, any investigation of reported public assistance fraud shall be concluded within 180 days of receipt of the report. It amends Section 1 of the proposal regarding work activities for work eligible recipients. It amends

ASSUMPTION (continued)

Section 2 by no longer requiring the applicant or recipient to possess a high school diploma or GED, but rather to possess or be working toward such diploma or equivalency degree. DLS anticipates that the proposed legislation would have an unknown fiscal impact on DLS. DLS anticipates an increase in administrative hearings due to a reduction in the benefits received by households if the recipients or applicants of Temporary Assistance are not working toward a high school diploma or a high school equivalency certificate. However, it is not possible to estimate the number of such hearings because it is not possible to determine how many households will be impacted. It is not possible to accurately determine the number of individuals from those households that will request such a hearing. The DLS Administrative Hearings Unit assumes that their hearing officers can hold approximately 900 hearings per year. The hearings should not require complex evidence or facts. Therefore, once the number of potential hearings can be estimated it will be possible to determine the fiscal impact. DLS will defer to fiscal note prepared by FSD for the fiscal impact to FSD.

Due to the unknown impact of sections 208.027, 208.048, and 208.249, **Oversight** will present an unknown impact to the General Revenue (GR) and Federal funds for the DSS-DLS.

Officials from the **DSS - Children's Division (CD)** state Section 2 will have a fiscal impact on the CD by reducing the number of families who are eligible for child care.

The CD will need to revise the current Child Care State Plan, approved by the Administration for Children and Families. The Administration for Children and Families (ACF) gives states latitude in the implementation of state plans, and there is nothing to specifically prohibit requiring a GED or high school diploma before giving child care assistance. However, DSS believes that it is unlikely that ACF will approve the Child Care State Plan with the change proposed in this legislation.

Additionally, since Child Care is also used to meet the TANF Block Grant Maintenance of Effort (MOE) and federal funding levels, any reduction not reinvested into the program would affect the Department's ability meet TANF MOE and could result in the loss of TANF block grant funds.

Due to the above reasons, the savings from this legislation is assumed to be \$0 to Unknown, greater than \$100,000 to each GR and Federal Funds (FF).

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.

ASSUMPTION (continued)

Officials from the **DSS - MO HealthNet Division (MHD)** provide:

208.152.12: The Family Support Division (FSD) currently screens new enrollees for MO HealthNet (MHD) benefits at application time and annual review of benefits for the Health Insurance Premium Payment (HIPP) program. Therefore, this requirement is already being met so there is no fiscal impact to MHD.

208.249.2: This section of the legislation states any person who has reasonable cause to believe an act of public assistance benefits fraud is being committed shall report such act to the department. When a report is made the department shall investigate within one hundred and eighty days. The burden of conducting the investigation rests with the fraud investigator or fraud unit and not the recipient's eligibility specialist. It is assumed this legislation pertains to Medicaid (MO HealthNet) eligibility; however it will not affect MO HealthNet eligibility or benefits; therefore, there is no fiscal impact to MHD.

Section 1: This section states the department shall establish and implement a program that requires work-eligible recipients as defined by federal rules, to participate in work activities. It is assumed this legislation pertains to temporary assistance for needy families and not Medicaid (MO HealthNet); therefore, there is no fiscal impact.

Section 2: This section requires all recipients of temporary assistance for needy families, food stamps, child care assistance, supplemental nutrition assistance, or any other similar governmental assistance program who are eighteen years of age or older to possess or working toward a high school diploma or graduate equivalency diploma. The applicant shall receive assistance during such time as they work toward the degree or certificate. This section of the legislation will be implemented upon approval of necessary waivers to ensure continued federal participation. It is assumed this legislation pertains to Medicaid (MO HealthNet) eligibility and such a waiver would not be approved by the Department of Health and Human Services; therefore, there is no fiscal impact on MO HealthNet.

Officials from the **DSS - Human Resource Center** state there is no fiscal impact anticipated from a human resource perspective.

Officials from the **Department of Elementary and Secondary Education (DESE)** provide the following assumptions:

§208.048 - School Enrollment:

The requirements of this section will likely place an additional burden on local school districts. DESE defers to them regarding the extent of any impact.

ASSUMPTION (continued)

Section 2 - Educational requirement:

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

The Graduate Equivalency Diploma (GED) system currently tests approximately 13,000 individuals per year at a program cost of approximately \$300,000 (cost of tests). Based on the estimates provided by DSS, this proposal could result in a ten-fold increase in the number of applicants per year and would boost program costs to approximately \$3,000,000 annually. In addition, DESE will require at least 1.0 FTE supervisor to handle the additional 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, these figures do not account for the other public assistance programs listed in Section 2, i.e. child care assistance, supplemental nutrition assistance, or other similar governmental assistance programs. DESE was unable to obtain information as to the number of those individuals that don't have a high school certificate. Therefore, the impact of Section 2 of this proposal is likely greater than presented here. In addition, it should be noted that DESE is currently in the bid process to select a new vendor for the high school equivalency test starting January 1, 2014. The outcome of this process could result in higher estimates than presented here.

DESE estimates FY 14 costs to the General Revenue Fund exceeding \$3,067,281; FY 15 costs exceeding \$3,079,092; and FY 16 costs exceeding \$3,080,675.

Oversight assumes the DESE does not need 1 FTE supervisor to handle the additional workload; Oversight assumes DESE would need an Office Support Assistant (\$27,324 annually) to handle the additional workload.

In response to the previous version of this proposal, officials from the **Parkway School District (District)** stated the impact related to section 208.048 of this proposal would depend on what types of proof would be acceptable forms for verifying enrollment in a public or private secondary school or an equivalent level of vocational or technical school in lieu of secondary

ASSUMPTION (continued)

school. If parents can print enrollment information like class schedules from on-line school websites like Infinite Campus, it shouldn't place any additional burden on school staff. If, however, parents need a letter from the district, then the liaisons or registrars would have to generate and sign those letters. Therefore, the impact of this proposal on the District is unknown, pending further clarification.

Oversight assumes school districts will be able to absorb the potential costs associated with verifying the enrollment of children as outlined in Section 208.048.

In response to the previous version of this proposal, officials from the **Office of Attorney General** assumed any potential costs arising from this proposal can be absorbed with existing resources.

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 **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 Administration**, the **Office of State Courts Administrator**, the **Department of Mental Health** and the **Department of Health and Senior Services** each assume the proposal would not fiscally impact their respective agencies.

No other schools responded to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE FUND			
<u>Savings - DSS-CD</u>			
Reduction in child care assistance (Section 2)	\$0 or Unknown, greater than \$100,000	\$0 or Unknown, greater than \$100,000	\$0 or Unknown, greater than \$100,000
<u>Costs - OA-ITSD-DSS</u>			
System programming expenses (bill as a whole)	(\$317,414)	\$0	\$0
<u>Costs - DSS-DLS</u>			
Increase in administrative hearings (§§ 208.027, 208.048, and 208.249)	(Unknown)	(Unknown)	(Unknown)
<u>Costs - DSS - FSD</u>			
Increase in food stamp - related expenditures (§208.247)	(\$3,366)	(\$8,079)	(\$12,118)
<u>Costs - DESE (Section 2)</u>			
Personal service	(\$22,770)	(\$27,873)	(\$28,152)
Fringe benefits	(\$11,553)	(\$14,143)	(\$14,284)
Expense and equipment	<u>(Could exceed \$3,007,000)</u>	<u>(Could exceed \$3,001,510)</u>	<u>(Could exceed \$3,001,540)</u>
<u>Total Costs - DESE</u>	<u>(Could exceed \$3,041,323)</u>	<u>(Could exceed \$3,043,526)</u>	<u>(Could exceed \$3,043,976)</u>
FTE Change - DESE	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND			
	<u>(Unknown, could exceed \$3,362,103)</u>	<u>(Unknown, could exceed \$3,051,605)</u>	<u>(Unknown, could exceed \$3,056,094)</u>
Net FTE Change for the General Revenue Fund	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
FEDERAL FUNDS			
<u>Income - OA-ITSD-DSS</u>			
Program reimbursements (bill as a whole)	\$239,686	\$0	\$0
<u>Income - DSS-DLS</u>			
Increase in program reimbursements (§§ 208.027, 208.048, and 208.249)	Unknown	Unknown	Unknown
<u>Income - DSS-FSD</u>			
Increase in program reimbursements (§208.247)	\$3,366	\$8,079	\$12,118
<u>Savings - DSS-CD</u>			
Reduction in program expenditures (Section 2)	\$0 or Unknown, greater than \$100,000	\$0 or Unknown, greater than \$100,000	\$0 or Unknown, greater than \$100,000
<u>Costs - OA-ITSD-DSS</u>			
Program expenditures	(\$239,686)	\$0	\$0
<u>Costs - DSS-DLS</u>			
Program expenditures (§§ 208.027, 208.048, and 208.249)	(Unknown)	(Unknown)	(Unknown)
<u>Costs - DSS-FSD</u>			
Increase in program expenditures (§208.247)	(\$3,366)	(\$8,079)	(\$12,118)
<u>Loss - DSS-CD</u>			
Reduction in program reimbursements (Section 2)	<u>\$0 or (Unknown greater than \$100,000)</u>	<u>\$0 or (Unknown greater than \$100,000)</u>	<u>\$0 or (Unknown greater than \$100,000)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Additional Missouri residents will be eligible for food stamp/SNAP benefits and will using those benefits to purchase food items at Missouri retailers (§208.247).

FISCAL DESCRIPTION

Sections 208.027, 208.048, and 208.249 - Department of Social Services employees may refer an applicant or recipient for drug testing if the employee has personal knowledge that the person may have engaged in the illegal use of a controlled substance. The employee shall be immune from civil and criminal penalties. TANF recipients age 16 or older are required to participate in work activities unless certain restrictions are met. Recipients who refuse to participate in work activities without good cause will lose their benefits for themselves. All recipients who are sanctioned or lose their benefits may appeal the decision and receive a hearing.

Section 208.247 - This proposal specifies that, pursuant to the option granted by 21 U.S.C. Section 862a(d) under the federal Personal Responsibility and Work Opportunity Act of 1996, an individual who has pled guilty to or is found guilty under federal or state law of a felony involving the possession or use of a controlled substance must be eligible for federal food stamp program benefits if, as determined by the Department of Social Services: (1) The person is successfully participating in, is accepted for treatment but on a waiting list, or has satisfactorily completed a substance abuse treatment program approved by the Division of Alcohol and Drug Abuse within the Department of Mental Health; and (2) The person is successfully complying with or has already complied with all obligations imposed by a court, the Division of Alcohol and Drug Abuse, and the Division of Probation and Parole within the Department of Corrections; The individual must also meet all other factors for food stamp program eligibility.

Section 2 - This section requires all recipients of TANF, food stamps, child care, or any other similar governmental assistance program who are 18 years of age or older to possess or be working toward a high school diploma or GED and show proof upon annual reverification.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements.

SOURCES OF INFORMATION

Office of Administration -
 Information Technology Services Division/Department of Social Services
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 Social Services -
 Children's Division
 Division of Legal Services
 Family Support Division
 MO HealthNet Division
Joint Committee on Administrative Rules
Office of Secretary of State
Parkway School District



Ross Strope
Acting Director
May 14, 2013