

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2193-01
Bill No.: HB 985
Subject: Public Assistance; Social Services Department
Type: Original
Date: April 5, 2013

Bill Summary: This proposal extends the sunset of the Ticket to Work Health Assurance Program six years to 2019.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$4,347,229)	(\$6,098,015)	(\$6,372,426)
Total Estimated Net Effect on General Revenue Fund	(\$4,347,229)	(\$6,098,015)	(\$6,372,426)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Other State	(\$3,865,937)	(\$5,422,890)	(\$5,666,921)
Total Estimated Net Effect on Other State Funds	(\$3,865,937)	(\$5,422,890)	(\$5,666,921)

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

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

* Income and expenditures exceed \$18 million annually and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

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

§ 208.146 - Extension of Ticket-to-Work Program sunset:

Officials from the **Department of Mental Health (DMH)** state the proposed legislation extends the sunset date for the Ticket-to-Work Health Assurance Program to August 28, 2019. The previous expiration date was August 28, 2013. Based on data acquired from the Department of Social Services (DSS) Monthly Management Report (Table 23), the February, 2013 monthly cost for DMH services was approximately \$1,092,000 for approximately 436 clients. This data, annualized, results in a yearly total cost of approximately \$13,100,000. Of this, approximately \$8,100,000 would be federal cost and approximately \$5,000,000 would be state cost. Based on the current expiration date of August 28, 2013, FY14 would reflect 10 months of costs.

These costs would be DMH costs. DMH assumes that these costs are not included in the DSS estimate of costs.

Officials from the **Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)** state this proposal merely extends an existing program. As such, there is no new cost.

Oversight assumes extending the Ticket to Work Program, rather than letting it sunset on August 28, 2013, will result in costs to the state. Funds that would have become available for other uses will, instead, be obligated to fund the program.

In response to HB 700 from the current session, DSS officials indicated a repeal of the Ticket to Work Program would result in savings to General Revenue (GR), Federal and Other State Funds of \$21,537,082 for the 10 months remaining in FY 14; savings for FY 15 were estimated to be \$30,210,844; and savings for FY 16 were estimated to be \$31,570,333. Oversight assumes the amount DSS assumed would be saved had the program been repealed is equal to the cost of extending the program. Therefore, Oversight will present costs to GR, Federal and Other Funds of \$21,537,082 for the 10 months remaining in FY 14; FY 15 costs of \$30,210,844; and FY 16 costs of \$31,570,333.

Per discussion with DSS officials, DMH Ticket to Work costs have been included in DSS figures. For fiscal note purposes, Oversight will only present DSS costs.

Officials from the **Office of Administration - Division of Budget and Planning** and the **Department of Health and Senior Services** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE FUND			
<u>Costs - DSS</u>			
Extension of the ticket to work program (§ 208.146)	<u>(\$4,347,229)</u>	<u>(\$6,098,015)</u>	<u>(\$6,372,426)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$4,347,229)</u>	<u>(\$6,098,015)</u>	<u>(\$6,372,426)</u>
OTHER STATE FUNDS			
<u>Costs - DSS</u>			
Ticket to work program expenditures (§ 208.146)	<u>(\$3,865,937)</u>	<u>(\$5,422,890)</u>	<u>(\$5,666,921)</u>
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>(\$3,865,937)</u>	<u>(\$5,422,890)</u>	<u>(\$5,666,921)</u>
FEDERAL FUNDS			
<u>Income - DSS</u>			
Program reimbursements (§ 208.146)	\$13,323,916	\$18,689,939	\$19,530,986
<u>Costs - DSS</u>			
Ticket to work program expenditures (§ 208.146)	<u>(\$13,323,916)</u>	<u>(\$18,689,939)</u>	<u>(\$19,530,986)</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

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

FISCAL DESCRIPTION

This proposal extends the provisions regarding the Ticket to Work Health Assurance Program from August 28, 2013, to August 28, 2019.

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

Office of Administration -
 Division of Budget and Planning
Department of Mental Health
Department of Health and Senior Services
Department of Social Services -
 Division of Finance and Administrative Services



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