

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 3449-01  
BILL NO.: HB 1673  
SUBJECT: Public Assistance to be Withheld from Persons with Outstanding Arrest Warrants  
TYPE: Original  
DATE: February 7, 2000

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON STATE FUNDS</b>                  |                 |                 |                 |
|-------------------------------------------------------------|-----------------|-----------------|-----------------|
| FUND AFFECTED                                               | FY 2001         | FY 2002         | FY 2003         |
| General Revenue                                             | \$51,028        | \$84,524        | \$84,524        |
|                                                             |                 |                 |                 |
| <b>Total Estimated Net Effect on <u>All</u> State Funds</b> | <b>\$51,028</b> | <b>\$84,524</b> | <b>\$84,524</b> |

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                 |                 |                 |
|---------------------------------------------------------------|-----------------|-----------------|-----------------|
| FUND AFFECTED                                                 | FY 2001         | FY 2002         | FY 2003         |
| Federal                                                       | \$27,381        | \$32,870        | \$32,870        |
|                                                               |                 |                 |                 |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>\$27,381</b> | <b>\$32,870</b> | <b>\$32,870</b> |

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |            |            |            |
|--------------------------------------------|------------|------------|------------|
| FUND AFFECTED                              | FY 2001    | FY 2002    | FY 2003    |
| <b>Local Government</b>                    | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

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

---

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials of the **Department of Public Safety - Missouri Highway Patrol (MHP)** stated they would require a data mart (a subset of the Missouri State Highway Patrol's data warehouse) to implement this proposal. This would require an FTE to develop and maintain the data mart for the remote electronic data warehouse access to MULES by the Division of Family Services. The FTE would be a Computer Information Technology Specialist (\$40,536) and would need all the standard office equipment for the position.

**Oversight** notes the MHP responded to a very similar proposal from the previous session and assumed a computer program would need to be developed and tested to prepare the listings needed. The MHP would hire a consultant to perform the necessary changes. The MHP estimated 192 hours would be needed at a cost of \$98 per hour for a total cost of \$18,816. This was a one-time cost. Oversight believes existing computer staff could provide the necessary information to the Division of Family Services after the computer programs are modified. Therefore, Oversight will present the costs previously reported by the MHP. The costs were increased 3% from last year.

Officials from the **DOSS - Division of Family Services (DFS)** assume that the arrangement between the MHP and the DFS results in a listing that produces names cross-matched against social security numbers and Departmental Client Numbers. The staff would access an automated program that would display "hits". This check would presumably not create enough additional work for the DFS to require additional staff.

The DFS assumes the **DOSS - Division of Data Processing (DDP)** will devise, in conjunction with the MHP, a program to supply needed match information to the DFS for identifying target applicants/recipients. The DDP stated this could be done with existing resources.

The DFS has determined that it will not have any costs associated with this proposal, but rather savings in public assistance disbursements.

The proposal requires the DFS to pay the state's general revenue fund (out of its appropriations) amounts equal to benefits issued to active recipients who are on the warrant list at the coinciding time. The DFS assumes no costs for applicants as they will be screened against the felony warrant list supplied by the MHP. Consequently, no benefits will be released to an applicant until the warrant(s) have been satisfactorily resolved.

ASSUMPTION (continued)

**Oversight** assumes that the computer listing will be updated weekly and the DFS will check the applicants Social Security Number against the computer listing at the time of application and once more before the first assistance check is written to the applicant. With these assumptions, Oversight agrees that the applicants with outstanding arrest warrants should not be granted public assistance and the DFS would not have to reimburse the General Revenue Fund for assistance provided to a person with an outstanding arrest warrant.

The DFS assumes that recipients with an arrest warrant will satisfy the warrant within a one month time period by being arrested and detained or posting bond.

The DFS provided an analysis of the potential savings in benefits from denying benefits to recipients with outstanding arrest warrants. The DFS assumes the number of outstanding felony arrest warrants to be 26,773. The average overpayment of all assistance benefits (not including Medicaid, energy assistance, child based programs, and adult nursing care populations) is \$79 a month.

Assuming the population involved in this analysis is persons 18 and up and total state population of persons over the age of 18 is 3,995,633 (source: Missouri State Data Center). The DFS is using a potential number of public assistance recipients age 18 and over which is 221,807. Using all of the above assumptions, the hypothetical savings are as follows:

|               |                  |                                                                 |
|---------------|------------------|-----------------------------------------------------------------|
|               | 26,733           | number of felony warrants                                       |
| divided by    | <u>3,995,633</u> | Missouri population age 18 and over                             |
| equals        | .0067            | or .67% of population with arrest warrants                      |
|               | 221,807          | public assistance recipients age 18 or older                    |
| multiplied by | <u>0.67%</u>     |                                                                 |
|               | 1,486            | potential number of recipients with outstanding arrest warrants |
|               | 1,486            |                                                                 |
| multiplied by | <u>\$79</u>      | average overpayment                                             |
|               | <u>\$117,394</u> | Total public assistance benefits saved per year                 |

The savings are allocated to state and federal funds at a rate of 72% state and 28% federal.

| <u>FISCAL IMPACT - State Government</u>                                         | FY 2001<br>(10 Mo.)    | FY 2002                | FY 2003                |
|---------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| <b>GENERAL REVENUE FUND</b>                                                     |                        |                        |                        |
| <u>Savings - Department of Social Services-<br/>Division of Family Services</u> |                        |                        |                        |
| Reduction in Public Assistance Benefits<br>Due to Outstanding Arrest Warrants   | \$70,408               | \$84,524               | \$84,524               |
| <u>Costs - Department of Public Safety -<br/>Missouri Highway Patrol</u>        |                        |                        |                        |
| Costs to Develop and Test Computer<br>Program to Interface with DOSS            | <u>(\$19,380)</u>      | <u>\$0</u>             | <u>\$0</u>             |
| <b>ESTIMATED NET EFFECT<br/>ON GENERAL REVENUE FUND</b>                         | <b><u>\$51,028</u></b> | <b><u>\$84,524</u></b> | <b><u>\$84,524</u></b> |
| <b>FEDERAL FUNDS</b>                                                            |                        |                        |                        |
| <u>Savings - Department of Social Services-<br/>Division of Family Services</u> |                        |                        |                        |
| Reduction in Public Assistance Benefits<br>Due to Outstanding Arrest Warrants   | <u>\$27,381</u>        | <u>\$32,870</u>        | <u>\$32,870</u>        |
| <b>ESTIMATED EFFECT<br/>ON FEDERAL FUNDS</b>                                    | <b><u>\$27,381</u></b> | <b><u>\$32,870</u></b> | <b><u>\$32,870</u></b> |
| <u>FISCAL IMPACT - Local Government</u>                                         | FY 2001<br>(10 Mo.)    | FY 2002                | FY 2003                |
|                                                                                 | \$0                    | \$0                    | \$0                    |

FISCAL IMPACT - Small Business

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

L.R. NO. 3449-01  
BILL NO. HB 1673  
PAGE 5 OF 5  
February 7, 2000

DESCRIPTION

This proposal requires the Division of Family Services to place a hold on an application for public assistance benefits for any applicant with an outstanding felony arrest warrant. The hold is to remain in effect until the warrant has been satisfied. The division is also required to place a hold on the disbursement of public assistance benefits for recipients with outstanding felony arrest records. Such a hold is to be removed once the warrant has been satisfied, except in cases when the recipient is arrested pursuant to the warrant.

The division is required to review a list of outstanding arrest warrants provided on a weekly basis by the Missouri Highway Patrol before disbursing public assistance benefits. If the division disburses assistance to an individual whose name appears on the Highway Patrol's arrest warrant list at the time of disbursement, the division is required to reimburse the general revenue fund from division appropriations for the amount of the disbursement

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  
Department of Public Safety - Missouri Highway Patrol



Jeanne Jarrett, CPA  
Director  
February 7, 2000