

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6114-01
Bill No.: HB 1882
Subject: Social Services Dept.; Immigration; Public Assistance
Type: Original
Date: April 2, 2012

Bill Summary: Modifies the eligibility requirements for food stamps assistance as it relates to ineligible immigrants.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Federal Funds*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Program savings and reduction in reimbursement net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Section 208.021:

Subdivision (1) of subsection 1:

The FSD understands that subdivision (1) proposes that all income and financial resources of individuals ineligible due to immigration status prior to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) would be included in determining eligibility and the value of the allotment for remaining eligible household members. This proposed legislation is Option 3 under federal guidance relative to 7 CFR 273.11 (c)(3).

There are currently 4,555 active Food Stamp cases in Missouri with an ineligible immigrant included in the household and not receiving benefits.

Using this option in Missouri would result in:

- 1,525 case closings -
 - 2,660 children would no longer receive Food Stamp benefits.
- 2,345 cases with a reduction in benefits -
 - 5,739 children would receive reduced Food Stamp benefits.
- 685 cases would have no change in benefits -
 - 1,440 children would receive the same Food Stamp benefits.

Subdivision (2) of subsection 1:

Subdivision (2) of subsection 1 appears to imply that the proposed legislation is applicable to the entire immigrant population in Missouri.

- This appears to be Option 4 under federal guidance and can only be applied to immigrants made ineligible by PRWORA. This option allows states to not count the income of individuals rendered ineligible due to the individual's immigrant status when determining eligibility and the value of the allotment of remaining household members. The resulting benefit for remaining eligible members would be capped at the allotment the household would have received if the ineligible household member had been included in determining eligibility and the value of the allotment.

HWC:LR:OD

ASSUMPTION (continued)

- Because Option 4 is not allowed for immigrants who were ineligible for benefits under federal guidance pre-PRWORA, Missouri would be out of compliance with federal regulations (7 CFR 273.11(c)(3)) if this option was applied to the entire immigrant population. Failure to follow federal guidance could result in federal penalties.
- Subdivision (2) requires resources to not be counted. This is in violation of federal requirements. 7 CFR 273.11(c)(3) requires resources to be counted under all options. Failure to follow federal guidance could result in federal penalties.

DSS-FSD assumes the proposal will have an unknown fiscal impact on the General Revenue Fund for each FY 13, 14, and 15.

Oversight notes food stamps are paid 100% by the federal government. Therefore, the reduction in food stamp benefits paid to Missouri residents would have no fiscal impact on the General Revenue Fund.

Oversight assumes the potential for penalties to be speculative and, therefore, assumes no fiscal impact for the DSS-FSD.

Officials from the **Office of Administration - Information Technology Services Division (ITSD)/DSS** provide the following assumptions:

Currently in FAMIS, when there are 4 people in Food Stamp Eligibility Unit (EU) and 1 is an ineligible immigrant only 3 people (not ineligible immigrants) would be considered in the assistance group; however, a prorated share of the ineligible immigrant income is considered in determining the benefit amount a 3 person Food Stamp EU will receive. (3/4 of the income is considered to the eligible members.)

Section 208.021.1

Requires when there are 4 people in Food Stamp EU and 1 is an ineligible immigrant only 3 people (not ineligible immigrants) would be considered in the assistance group. However, all of the income of all 4 people in the EU will be considered in determining the benefit amount an EU will receive.

ASSUMPTION (continued)

FAMIS System programming estimates:

<u>Function</u>	<u>Work Effort (hours)</u>
Analysis/Requirements/Specifications	20
Modify Income Determination program	40
Systems and User Acceptance Testing	<u>20</u>
Total:	<u>80 hours</u>

Section 208.021.2

Requires 2 Food Stamp budgets be created and compared and the Food Stamp EU would receive the lower of the two incomes.

a) When there are 4 people in Food Stamp EU and 1 is ineligible immigrant, all 4 people will be considered in the assistance group and all 4 people's total income will be considered in determining the benefit amount an EU will receive for the first budget test.

b) When there are 4 people in Food Stamp EU and 1 is ineligible immigrant, 3 people (not ineligible immigrants) will be considered in the assistance group and only those 3 eligible people's income will be considered in determining the benefit amount an EU will receive, for the second budget test.

FAMIS System programming estimates:

<u>Function</u>	<u>Work Effort (hours)</u>
Analysis/Requirements/Specifications	20
Modify Eligibility Determination program Add new fail Reason.	40
Modify Technical Determination program	40
Modify Income Determination program	100
Modify Budget Screen	40
Modify Notice mailed to Client	40
Systems and User Acceptance Testing	<u>40</u>
Total:	<u>320 hours</u>

Assumptions:

- Match rates for FAMIS Food Stamps is 50% GR and 50% Federal.
- Current rate for ITSD staff averages \$42.56 per hour.

Contract Staff \$42.56/hr * 400 hours (80 hours + 320 hours) = **\$ 17,024**

HWC:LR:OD

ASSUMPTION (continued)

Oversight assumes the OA-ITSD/DSS can absorb the programming costs associated with this proposal as these administrative costs are reimbursed 50% by the federal government (\$8,512 General Revenue/\$8,512 Federal Funds).

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
§208.021 FEDERAL FUNDS			
<u>Savings - Department of Social Services - Family Support Division</u>			
Reduction in food stamp program costs	Unknown	Unknown	Unknown
<u>Loss - Department of Social Services - Family Support Division</u>			
Reduction in food stamp program reimbursement	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<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 modifies provisions relating to food stamps eligibility as it relates to ineligible immigrants. Pursuant to the option granted the state by federal law: (1) The income and financial resources of an individual who was ineligible for the food stamp program prior to the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA) based on such individual's immigration status and who remains ineligible shall be considered in determining the eligibility

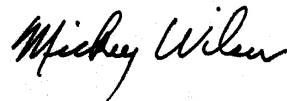
FISCAL DESCRIPTION (continued)

and the value of the allotment of the household; and (2) The income and financial resources of an individual ineligible for the food stamp program shall be not be considered in determining the eligibility and the value of the allotment of the household of which such individual is a member. The resulting benefit amount for eligible members shall be capped at the allotment amount the household would have received if the ineligible household member had been included.

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 -
Information Technology Services Division/Department of Social Services
Department of Social Services -
Family Support Division



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Director
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