

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6488-02
Bill No.: HB 2530
Subject: Public Assistance; Social Services Department
Type: Original
Date: April 9, 2018

Bill Summary: This proposal requires the Department of Social Services to conduct a study on generational use of public assistance.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(\$240,339 to \$1,073,672)	(\$250,000 to \$1,250,000)	(\$250,000 to \$1,250,000)
Total Estimated Net Effect on General Revenue	(\$240,339 to \$1,073,672)	(\$250,000 to \$1,250,000)	(\$250,000 to \$1,250,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenses net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services (DSS)** state this bill creates a new section of law that would require the DSS to conduct a study of the use of public assistance programs to determine familial use within four family generations. The study shall focus on public assistance provided by the Family Support Division (FSD), the Children's Division (CD) and the MO HealthNet Division (MHD).

The bill restricts identifying information from being disclosed and specifies that the findings of any identifying information shall only be reported in the aggregate. The report is due to the general assembly on or before January 1, 2022. DSS may collaborate with the Department of Health and Senior Services (DHSS) and any other public entity to conduct this study.

This would not create a direct fiscal impact to the Division of Legal Services (DLS), but there could be a programmatic impact. DLS may need to assist the FSD, CD, and MHD in ensuring client confidentiality, reviewing any contracts necessary to conduct this study, and promulgating any necessary rules to implement this study. The additional work performed by DLS to assist FSD, CD, and MHD can be absorbed with existing resources.

DSS plans to use an approach that includes program participation information and individuals that are parent/grandparent/great grandparent that are, or were, on a program. Research and Evaluation (R&E) could then merge and process the files from the Missouri Eligibility Determination and Enrollment System (MEDES), the Family Assistance Management Information System (FAMIS) and the Family and Children Electronic Services (FACES)/Child Welfare to produce the report. The processing would have to reconcile circumstances where people are in more than one system so they are not counted more than once and handle instances where people participate in more than one program (most people are on more than one program). DSS defers to Office of Administration, Information Technology Services Division (ITSD) for the fiscal impact for program changes.

MHD does not anticipate a direct fiscal impact as MHD does not determine eligibility; however, there could be a cost associated with extracting data from the reports on public assistance of those identified but MHD has indicated they will be able to absorb this cost.

The FSD currently collects relationship data on individuals that reside in the same household and the data is stored for 15 years. However, the FSD does not currently have the capability of tracking recipients that identify relationships among recipients across households.

ASSUMPTION (continued)

The FSD is working with the University of Missouri Extension (UME) on a proposal to capture similar information. This proposal could be modified to collect data on the generational use of all public assistance programs FSD administers, in order to provide a report as required by this proposed legislation.

The FSD estimates the cost of the UME study to be approximately \$250,000 per year for the next 3 years.

The eligibility systems could be modified to capture relationships among recipients across households to be used to track future generational use of public assistance.

However, due to the volume of data that would be collected on an ongoing basis, the FSD would have to contract with a vendor to complete the analysis of the information. The cost to complete this analysis is unknown. FSD estimates the cost will be \$0- \$1,000,000 per year to complete the analysis.

Therefore, the estimated fiscal impact to FSD is \$250,000 - \$1,250,000.

DSS officials provided the response for **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS**. ITSD assumes that every new IT project/system will be bid out because all ITSD resources are at full capacity. The current contract rate for IT consultants is \$75 per hour.

It is assumed a new program will have to be written for a one-time report of the data from the Family Assistance Management Information System (FAMIS) as FAMIS does not have a mechanism to obtain relationship information of participants prior to their respective programs being implemented in FAMIS. New programs would be written to provide an extract file that would be given to Research and Evaluation. They would merge the data, identify the instances of multiple generations and remove duplicate instances.

ITSD/DSS estimates an FY19 cost of \$81,483 (\$32,003 GR; \$49,483 Federal).

Officials from the **Department of Health and Senior Services** assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Costs - DSS (\$208.1010)</u>			
University of MO Extension study	(\$208,333)	(\$250,000)	(\$250,000)
Contract fees	<u>\$0 to (\$833,333)</u>	<u>\$0 to</u>	<u>\$0 to</u>
		<u>(\$1,000,000)</u>	<u>(\$1,000,000)</u>
Total <u>Costs</u> - DSS	<u>(\$208,333 to</u> <u>\$1,041,666)</u>	<u>(\$250,000 to</u> <u>\$1,250,000)</u>	<u>(\$250,000 to</u> <u>\$1,250,000)</u>
 <u>Costs - OA, ITSD/DSS</u>			
IT consultant costs	<u>(\$32,006)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$240,339 to</u> <u>\$1,073,672)</u>	<u>(\$250,000 to</u> <u>\$1,250,000)</u>	<u>(\$250,000 to</u> <u>\$1,250,000)</u>
 FEDERAL FUNDS			
<u>Income - OA,ITSD/DSS</u>			
Reimbursement for program expenses	\$49,483	\$0	\$0
 <u>Costs - OA, ITSD/DSS</u>			
IT consultant costs	<u>(\$49,483)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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 bill requires the Department of Social Services to conduct a study on the generational use of public assistance and determine how many recipients of benefits are the children, grandchildren, or great-grandchildren of individuals who have also received such benefits. The department must delineate its findings by showing how many recipients are members of the second, third, or fourth generation of individuals who have received such benefits. The department must submit a report to the General Assembly by January 1, 2022.

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 Health and Senior Services
Office of Administration -
Information Technology Services Division/DSS

Ross Strobe



Acting Director
April 9, 2018