

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5741H.01I
Bill No.: HB 2782
Subject: Public Assistance
Type: Original
Date: March 3, 2022

Bill Summary: This proposal modifies provisions relating to blind pensions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Blind Pension (0621)*	\$85,302	\$102,362	\$102,362
Total Estimated Net Effect on <u>Other</u> State Funds	\$85,302	\$102,362	\$102,362

*Cost avoidance if the Department of Social Services can send notices to the applicants and/or recipients by regular mail instead of certified mail.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on FTE	0	0	0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§209.030 – Removes certified mail requirement for blind pension.

Officials from the **Department of Social Services, Family Support Division (DSS/FSD)** state §209.030 is amended to remove the requirement that the Department of Social Services send communications to Blind Pension (BP) participants via certified mail.

The requirement to send communications to BP participants via certified mail became effective August 28, 2018. The certified mailing processes were temporarily halted in April 2020 under the DSS Director's Order dated March 25, 2020 due to COVID guidelines and restrictions. For this reason, FY 19 data is used in this analysis. In FY 19, FSD sent 21,641 pieces of certified mail to BP participants. Due to system limitations, the certified mailing costs for all communications to BP participants is not available. FSD determined the average costs for all certified mail to BP participants based on the average cost of certified mail of system-generated notices. In FY 19, the total number of system-generated notices was 13,570. The total certified mailing cost for these system-generated notices was \$70,644. FSD assumes that the average cost for all certified mail is \$5.21 per mailing ($\$70,644 / 13,570 = \5.21). Therefore, the total cost for certified mail to BP participants in FY 19 would be \$112,750 ($\$5.21 * 21,641$).

If the provisions of this legislation are enacted, FSD would continue to incur regular postage costs for any communications sent to Blind Pension participants. The average cost of postage is \$0.48 per mailing. Based on the total number of mailings from FY 19, the cost that FSD would continue to incur would be \$10,388 ($\$0.48 * 21,641 = \$10,387.68$ rounded up).

Funds were not allocated to FSD for the costs incurred as a result of the requirement to send communications to BP participants via certified mail. Therefore, FSD redirected funds from case management activities for this purpose. FSD would realize a cost avoidance of \$102,362 ($\$112,750 - \$10,388 = \$102,362$) (certified mail vs. standard) as a result of this legislation. If the provisions of this legislation are enacted, FSD would redirect these funds back to case management activities.

Therefore, there is no fiscal impact to DSS/FSD.

Oversight notes the Blind Pension program receives no federal funds. DSS assumes savings from a reduction in certified mail costs (administrative activity) will be redirected to other activities. Oversight will show the estimated savings provided by DSS/FSD to the Blind Pension Fund. Oversight notes subsection 209.030.3 was added in 2018 with HCS/HB 2171.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
BLIND PENSION FUND (0621)			
<u>Savings - DSS (§209.030) - Savings on certified mail costs</u>	<u>\$85,302</u>	<u>\$102,362</u>	<u>\$102,362</u>
ESTIMATED NET EFFECT ON THE BLIND PENSION FUND	<u>\$85,302</u>	<u>\$102,362</u>	<u>\$102,362</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<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.

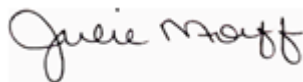
FISCAL DESCRIPTION

This bill removes a requirement that any notice sent to an applicant or recipient of blind pension funds must be sent by certified mail. Instead, the bill allows the notice to be sent by any mail delivered by the United States Postal Service (§209.030).

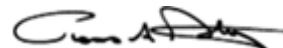
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services



Julie Morff
Director
March 3, 2022



Ross Strope
Assistant Director
March 3, 2022