

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6047-02
Bill No.: SCS for SB 875
Subject: Social Services Department; Public Assistance
Type: Original
Date: March 20, 2014

Bill Summary: This proposal modifies the notice required to public assistance recipients regarding appeals of adverse actions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	Could exceed \$102,160	Could exceed \$122,592	Could exceed \$122,592
Total Estimated Net Effect on General Revenue Fund	Could exceed \$102,160	Could exceed \$122,592	Could exceed \$122,592

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Savings and losses exceed \$100,000 and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services (DOS) - Family Support Division (FSD)** state the FSD currently includes language on notices that let participants know about appeal rights and how to request a fair hearing. Current statute requires two notices, thus consolidating the two notices into one notice would have a significant cost savings to the FSD.

The Family Assistance Management Information System (FAMIS) staff provided the total number of advance notices of adverse action. Not all advance notices of adverse action result in a closing/action notice that could be discontinued if this proposal were to pass, but FSD estimates that it would result in at least a 50% reduction in the number of notices sent out. Therefore, 1,134,746 advance notices of adverse action X 50% = 567,373 notices no longer sent X \$0.41 = \$232,623 (rounded) savings in postage. There would be additional savings from decreased demand on printing and mail processing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Savings - DSS-FSD (\$208.080)</u>			
Reduction in postage, printing, and processing costs	<u>Could exceed</u> <u>\$102,160</u>	<u>Could exceed</u> <u>\$122,592</u>	<u>Could exceed</u> <u>\$122,592</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>Could exceed</u> <u>\$102,160</u>	<u>Could exceed</u> <u>\$122,592</u>	<u>Could exceed</u> <u>\$122,592</u>
FEDERAL FUNDS			
<u>Savings - DSS-FSD (\$208.080)</u>			
Reduction in program expenditures	Could exceed \$91,693	Could exceed \$110,031	Could exceed \$110,031
<u>Loss - DSS-FSD (\$208.080)</u>			
Reduction in reimbursements	<u>(Could exceed</u> <u>\$91,693)</u>	<u>(Could exceed</u> <u>\$110,031)</u>	<u>(Could exceed</u> <u>\$110,031)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<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.

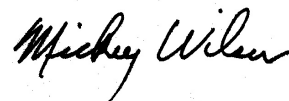
FISCAL DESCRIPTION

Under current law, when a public assistance recipient's case has been closed or modified by the Family Support Division within the Department of Social Services the recipient shall have 90 days from the date of closing or modification to request an appeal. This proposal requires the Division to notify each recipient about the right to appeal before adverse action is taken instead of at the time of such closing or modification under current law.

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 -
Family Support Division



Mickey Wilson, CPA
Director
March 20, 2014

L.R. No. 6047-02
Bill No. SCS for SB 875
Page 5 of 5
March 20, 2014

Ross Strobe
Assistant Director
March 20, 2014

HWC:LR:OD