

Department of Planning and Budget 2005 Fiscal Impact Statement

- 1. Bill Number:** SB 1143
- | | | | |
|------------------------|---------------------------------------|-------------------------------------|---|
| House of Origin | <input type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input checked="" type="checkbox"/> Engrossed |
| Second House | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled |
- 2. Patron:** Emmett W. Hanger, Jr.
- 3. Committee:** Pending
- 4. Title:** Illegal aliens; eligibility for state and local public benefits
- 5. Summary/Purpose:** As substituted, this bill provides that no person who is not a United States citizen or legally present in the United States is eligible for any state or local public benefits. The bill defines state and local benefits, and sets forth a series of exceptions to this eligibility rule. The bill also requires applicants for state or local assistance to provide proof of being in the United States legally and establishes a process for temporary receipt of benefits when applicants cannot provide such proof. In addition, the bill has a delayed effective date of January 1, 2006 and requires affected state agencies to cooperate with agencies of local government to develop a system to facilitate verification of legal presence.
- 6. Fiscal impact estimates are preliminary** (see item 8)
- 7. Budget amendment necessary:** Yes (see item 8)
- 8. Fiscal implications:** The Department of Social Services maintains that this legislation would have an impact on the application processes for Temporary Assistance for Needy Families (TANF), Medicaid, auxiliary grants, and general relief benefits. Provisions of this bill exempt certain clients who are acutely ill or will receive non-cash or in-kind benefits. Therefore the department asserts that many of its application transactions (estimated at 850,000) will become more complex and time consuming. The fiscal impact of this bill associated with staffing assumes that the speed of services is sustained. The legislation could be implemented without additional staff, however eligibility services in the local departments of social services would be significantly slower. Again, the following analysis estimates the cost assuming that the current level of service (accuracy and efficiency) is maintained.

Specifically, the department expects that additional time will be needed to explain requirements, record status in its automated system, track status, and process applications. In addition, applicants who do not arrive with the proper documentation initially will have to make a return visit to provide proof of documentation. Workers need to copy, file, and record in an automated system that provisional benefits have been issued for 90 days and then act on those applications for which the applicant has not returned with the appropriate documentation. There will also be additional reapplication workload generated by clients who do not return in the required 90 days but who do subsequently re-apply. Based on DSS analysis, each local department would need a little more than 1¾ positions (or 226

statewide) to preserve current service levels. Assuming an average salary of \$30,000, it would cost \$9.3 million for salaries and benefits. In addition, nonpersonal services costs would require another \$1.3 million the first year and \$0.8 million each year thereafter. Due to the January 1, 2006 implementation date, local staff and support costs for the first year are only needed for 8 months.

Based on its experience, the Department of Social Services also estimates the cost for programming changes to its information system (ADAPT) at \$240,236 and statewide training at approximately \$194,000.

Cost Summary

	FY 2006	FY 2007
Salaries and Benefits	\$ 6,176,279	\$ 9,264,418
Nonpersonal Services	\$ 1,356,000	\$ 791,000
Staffing Costs:	\$ 7,537,481	\$ 10,067,104
Statewide Training	\$ 194,000	\$ -
System Programming	\$ 240,236	\$ -
Total Cost	\$ 7,971,717	\$ 10,067,104

Funding Sources

General Fund	2,478,362	3,020,131
Federal Funds	3,985,859	5,033,552
Local Funds	1,507,496	2,013,421
Total Funds:	\$ 7,971,717	\$ 10,067,104

9. Specific agency or political subdivisions affected:

Department of Social Services
Local departments of social services

10. Technical amendment necessary: No

11. Other comments: None

Date: 02/10/05

Document: G:\2005 Fiscal Year\Efis\Sb1143s1.Doc

cc: Secretary of Health and Human Resources