

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 464** HLS 14RS 460

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 25, 2014 6:29 PM	Author: BROADWATER
Dept./Agy.: Children and Family Services	Analyst: Patrice Thomas
Subject: Workforce Training & Education Pilot in SNAP Program	

SNAP/FOOD STAMPS OR INCREASE GF EX See Note Page 1 of 2

Establishes a pilot initiative for training and education to serve certain recipients of Supplemental Nutrition Assistance Program benefits

Proposed law creates a workforce training and education pilot initiative, contingent upon federal approval, for non-working able-bodied adults without dependents (ABAWDs) recipients within the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) administered by the Department of Children and Family Services (DCFS). Proposed law provides that the pilot initiative shall be located in a parish with a population of between 100,000-150,000 and that has a main campus of a public four-year college/university. Under proposed law, DCFS shall transmit notice in writing to each prospective participant indicating that continuation of SNAP benefits beyond the 3-month limit will be conditioned upon acceptable workforce training or education activities. Proposed law requires DCFS to conduct SNAP eligibility re-determination for participants in the pilot initiative at least once every 3 months. Proposed law requires that no later than 6 months after commencement and annually thereafter DCFS shall submit a report on the pilot to the legislative committees on health and welfare. Proposed law directs DCFS to seek federal approval before 01/01/2015.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

This proposed legislation will increase state expenditures by an indeterminable amount. The proposed legislation requires the Department of Children and Family Services (DCFS) to create a workforce training and education pilot initiative for non-working able-bodied adults without dependents (ABAWDs) receiving Supplemental Nutrition Assistance Program (SNAP) benefits in a parish with a population between 100,000 to 150,000 citizens as well as a main campus of a public four-year college or university. The Legislative Fiscal Office has identified two parishes that meet criterion - Rapides and Tangipahoa.

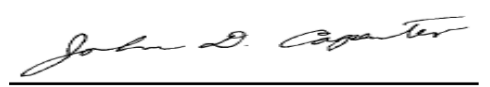
Presently, federal law limits SNAP benefits for ABAWDs to 3 months in a 3-year period. States can exempt individuals from this provision by requesting a waiver. The proposed legislation would remove all existing federal waivers for SNAP recipients in the pilot parish and require ABAWDs to meet certain employment and training requirements in order to to be exempt from the 3 month time limit.

Continue on Page 2

REVENUE EXPLANATION

To the extent that the workforce training and education pilot is successful in producing self-sufficiency in SNAP recipients, enrollment in the SNAP program would decrease. The Department of Children and Family Services (DCFS) would need less staff in the Economic Stability division resulting in less federal revenue from the Food and Nutrition Service (FNS), US Department of Agriculture for the administration of the SNAP program.

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|--|----------------------------|-------|--|
| Senate | <u>Dual Referral Rules</u> | House | <input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |


John D. Carpenter
Legislative Fiscal Officer

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CONTINUED EXPLANATION from page one:

Continued from Page 1

Tangipahoa Illustration

For illustrative purposes, the fiscal note will assume that the workforce training and education initiative is piloted in Tangipahoa parish that has a population of 123,441 residents (U.S. Census Bureau, Population Division, July 2012) and is home to Southeastern Louisiana University in Hammond. Information provided by DCFS identifies 2,188 SNAP cases that include an ABAWD who would be subject to the 3-month time limit in Tangipahoa parish.

Under the proposed legislation, DCFS would be required to perform re-determination on these 2,188 cases every 3 months (4 times per year) to ensure that the ABAWD is meeting acceptable workforce training and educational activities. Currently, DCFS performs re-determinations every 6 months (twice per year). Therefore, DCFS would be required to perform an additional two re-determinations. Instead of 4,376 re-determinations (2,188 cases x 2 per year), the SNAP staff in Tangipahoa would have to perform 8,752 re-determinations (2,188 cases x 4 per year), which represents an additional 4,376 re-determinations per year. According to DCFS, the average re-determination monthly caseload is 75 cases (900 cases per year) per staff member. To perform 4,376 additional re-determinations, five additional Social Service Analyst 2 positions would be needed (4,376 cases/900 avg. yearly caseload per staff = 4.7 staff). The starting salary of a Social Service Analyst 2 is \$28,246 with related benefits of \$11,623. The total salary cost for five additional Social Service Analyst 2 positions is \$199,345. In the Economic Stability division of DCFS, staff are funded at the administrative rate of 50% federal funds and 50% state match.

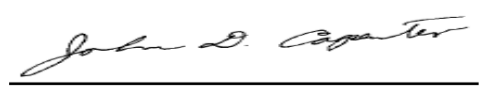
With additional staff, operating expenditures within DCFS would increase. The department anticipates an increase of \$5,125 per year for telephone, supplies, and computer equipment. In order to comply with the requirements of the proposed legislation, DCFS would have to change the programming of the SNAP eligibility software to require re-determinations at 3 month time intervals instead of current programming of re-determinations every 6 months time intervals. One-time programming changes are estimated to costs \$17,000.

To implement the workforce training and education pilot initiative in Tangipahoa parish, total expenditures within DCFS would increase by \$221,470 in FY 15 and \$204,470 in FY 16 and subsequent fiscal years. See table below.

	FY 15	FY 16
Salaries - 5 Social Service Analyst	\$141,230	\$141,230
Related Benefits (retirement, insurance)	\$ 58,115	\$ 58,115
Operating Services (computers, telephone)	\$ 5,125	\$ 5,125
Other Charges (computer programming)*	\$ 17,000	\$ 0
Total	\$221,470	\$204,470

*one-time expenditure

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|--|----------------------------|--------------|--|
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