

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

REVISED

BILL: Am. S.B. 52 DATE: April 22, 1997

STATUS: As Passed by the Senate SPONSOR: Sen. Carnes

LOCAL IMPACT STATEMENT REQUIRED: No — Minimal cost

CONTENTS: The bill changes the law concerning the confidentiality of public assistance records, denies TANF and DA benefits to fugitive felons, and probation or parole violators, and opts-out of the federal law denying TANF and Food Stamp benefits to convicted drug felons.

State Fiscal Highlights

STATE FUND	FY 1997	FY 1998	FUTURE YEARS
General Revenue Fund			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase

- The bill denies TANF and DA benefits to people who are fugitive felons, and probation or parole violators, however current rules deny benefits to these individuals, therefore there is no savings in benefit payments.
- The bill requires the department to provide benefits to convicted drug felons, thereby opting out of the federal law denying benefits to these individuals and minimally increasing expenditures.
- The bill increases administrative responsibilities of the state Department of Human Services and state law enforcement bodies potentially minimally increasing expenditures for conducting criminal/welfare recipient cross checks. Fugitive felons who are located will reduce welfare benefit costs, but will increase incarceration costs to the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1997	FY 1998	FUTURE YEARS
Counties			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase

- The bill increases the administrative responsibilities of county departments of human services for auditing and tracking recipients who may be precluded from receiving benefits due to their criminal status. Probation and parole violators who are unearthed will then come under the law enforcement system, which may increase local costs.



Detailed Fiscal Analysis

The bill requires the state Department of Human Services to enter into agreements with law enforcement agencies and auditors of public assistance programs for the exchange of information on public assistance recipients. These agreements will slightly increase the administrative responsibilities of the department. The increased administrative burden will potentially increase expenditures. In addition, county departments of human services also will have similar responsibilities, also minimally increasing their administrative workload.

If this program works as desired more fugitives and parole or probation violators would be found by law enforcement agencies. This would result in the termination of welfare benefits to these individuals saving the state monies equal to the portion of the DA or TANF cash benefit attributable to the fugitive. If the person being sought by law enforcement is only receiving Food Stamps no savings to the state will be realized, as Food Stamp Benefits are completely federally funded. Once law enforcement captures these people fleeing prosecution there will be additional costs to the state and localities for prosecution and incarceration. These costs vary depending upon the type of crime being prosecuted. At the high end, the cost of incarceration in a state prison is approximately \$14,000 per year for each inmate. The net effect of this policy change is indeterminate with no information on the number of fugitive felons who are possibly receiving welfare benefits. The Department of Human Services, however, believes the number to be small.

When the federal welfare reform legislation passed in August 1996, states were required to deny Temporary Assistance for Needy Families (TANF) benefits to fugitive felons, probation or parole violators, and convicted drug felons. According to the Department of Human Services, rules were enacted that deny TANF benefits to these individuals in order to comply with federal law. The provision in this bill denying TANF benefits to fugitive felons and probation or parole violators simply puts the current policy into law, while not eliminating any additional people from the TANF caseload, thus having no significant fiscal effect. Historically Disability Assistance (DA) eligibility has mirrored the eligibility for federal means tested public assistance programs. The department enacted DA rules that denied benefits to individuals who were fugitive felons, probation or parole violators, and convicted drug felons to reflect the changes in the federal programs. As is the case with the TANF provisions of this bill, the denial of DA benefits to this group, with the exception of the drug felons (see below), will yield no savings because it is the current practice to deny assistance to these individuals. However, the bill's provision allowing convicted drug felons to receive public assistance benefits is a policy shift that has minimal costs associated with it.

The bill requires the state to opt-out of the provision of the Personal Responsibility and Work Opportunity Act that requires states to deny TANF and Food Stamp benefits to persons convicted of a drug felony. Since this provision only denied benefits to the person convicted of the felony, not the entire assistance group, only those individuals convicted will become newly eligible. Allowing convicted drug felons to receive TANF and Food Stamp benefits will increase expenditures minimally. According to the Department of Human Services, the DA program eligibility mirrors that of the federal programs, therefore convicted drug felons previously have been denied DA benefits through rule. The bill will allow persons convicted of a drug felony to

qualify for DA benefits if they meet all other eligibility requirements. This will increase expenditures for the DA program minimally.

The bill also requires the Department of Rehabilitation and Correction (DRC) and the Department of Human Services (HUM) to enter into an agreement for the exchange of information on persons sentenced to DRC facilities or programs. Since DRC and HUM currently have an agreement where DRC sends HUM a quarterly tape of persons in their facilities, this provision of the bill would seem to have negligible costs associated with it.

□ *LBO staff: Grant Paullo, Economist*