



SF 430 – Supplemental Nutrition Assistance Program (SNAP), Parent Work Requirements (LSB1963SV)

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Fiscal Note Version – New

Description

Senate File 430 directs the Department of Human Services (DHS) to assign anyone receiving food assistance aged 16 to 59 into a workfare program regardless of any qualifying exemption the individual may have (pregnancy, current employment, mental/physical fitness, etc.).

Assumptions

- The Bill directs the DHS to “assign” individuals to a workfare program. For the purposes of this **Fiscal Note**, it is assumed that the term “assign” means to require an individual to participate in and meet the requirements of a workfare program.
- Federal workfare regulations include requiring clients to perform work “in a public service capacity” as a condition of eligibility to receive benefits. If individuals fail to cooperate, there is a two-month sanction for the first infraction, with penalties becoming progressively more severe for subsequent infractions.
- The DHS does not have a workfare program in place and would hire one Income Maintenance Worker 6 to research the program, write rules, collaborate with federal partners, and recruit and coordinate with outside agencies that would be required to provide verification of workfare participation.
- The DHS would need significant upgrades to income maintenance systems to keep track of work criteria, interview clients and plan for meeting the requirements, assign components of work to clients, track work requirements, include exclusions and hardships, report to the eligibility system, automatically close and suspend cases, make retroactive case status adjustments and payments, and perform other program reporting requirements. It is estimated these changes would take 47,640 hours at \$105 per hour. There will be a 10.0% ongoing maintenance cost.
- There will be additional DHS field operations costs to apply sanctions for noncompliance. Of the 150,000 participants, it is assumed that 30.0% would be subject to sanctions for noncompliance.
- It will take 15 minutes to apply the sanction once the DHS is notified of the noncompliance, requiring an additional 7.0 Income Maintenance 2 full-time equivalent (FTE) positions and 1.0 Typist Advanced FTE position once the program is implemented.
- There is \$550,000 available from the federal government to implement a workfare program.
- It is assumed that the program will be designed and systems will be updated in FY 2020, and the program will be implemented beginning FY 2021.
- A 2.0% increase in salary and benefits is assumed in FY 2021.
- The federal match rate for the design of the program and the income maintenance systems changes are 50.0% federal and 50.0% State. The federal match rate for field operations staff to apply sanctions is 33.82% federal and 66.18% State.

Fiscal Impact

[Senate File 430](#) is estimated to increase the DHS operating costs by \$2.5 million in FY 2020 and \$579,000 in FY 2021 and subsequent fiscal years. The increase for FY 2020 includes \$2.3 million in one-time costs. Additional State funds may be needed if the workfare program that is designed costs more than the federal dollars available. Details of the increase in FTE positions and other costs are listed in **Table 1** below.

Table 1 — Fiscal Estimate of [SF 430](#)

	FY 2020				FY 2021			
	FTEs	Salary & Benefits	Total Cost	State Share	FTEs	Salary & Benefits	Total Cost	State Share
DHS Field Operations								
Income Maintenance Worker 6	1.0	\$ 70,009	\$ 70,009	\$ 35,005	1.0	\$ 71,409	\$ 71,409	\$ 35,705
Income Maintenance Worker 2	0.0	57,214	0	0	7.0	57,214	400,498	265,050
Typist Advanced	0.0	42,416	0	0	1.0	42,416	42,416	28,071
DHS Field Operations Total	1.0		\$ 70,009	\$ 35,005	9.0		\$ 514,323	\$ 328,826
DHS Systems Changes	Hours	Cost	Total Cost	State Share	Hours	Cost	Total Cost	State Share
Income Maintenance Systems	47,640	\$ 105	\$ 5,002,200	\$ 2,501,100	4,764	\$ 105	\$ 500,220	\$ 250,110
Total Increased Cost DHS			\$ 5,072,209	\$ 2,536,105			\$ 1,014,543	\$ 578,936

*Totals may not sum due to rounding.

Sources

Department of Human Services

/s/ Holly M. Lyons

March 4, 2019

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.