

JAN 11 1999

HUMAN RESOURCES

HOUSE FILE

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HAHN, BODDICKER, SUKUP, THOMSON,
RANTS, and METCALF

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the family investment program and food stamp
2 benefits by providing for the ineligibility of individuals
3 convicted of certain felony offenses involving a controlled
4 substance and providing an applicability provision.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 20

1 Section 1. Section 234.12, unnumbered paragraph 2, Code
2 1999, is amended to read as follows:

3 The provisions of the federal Personal Responsibility and
4 Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-
5 193, § 115, shall ~~not~~ apply to an applicant for or recipient
6 of food stamp benefits in this state as provided in this
7 paragraph. An applicant for or recipient of food stamp
8 benefits convicted under federal or state law of a felony
9 offense which has as an element the manufacture or
10 distribution of a controlled substance, as defined in 21
11 U.S.C. § 802(6), shall be ineligible for food stamp benefits.
12 However Unless exempt for good cause under rules adopted by
13 the department for this purpose, if an applicant or
14 participant is convicted under federal or state law of a
15 felony offense which has as an element the possession or use
16 of such controlled substance, the department of human services
17 may apply contingent eligibility requirements as provided
18 under state law and allowed under federal law.

19 Sec. 2. Section 239B.5, subsection 3, Code 1999, is
20 amended to read as follows:

21 3. a. The provisions of the federal Personal
22 Responsibility and Work Opportunity Reconciliation Act of
23 1996, Pub. L. No. 104-193, § 115, shall not apply to an
24 applicant or participant except as provided in this
25 subsection.

26 b. ~~However, unless~~ Unless exempt for good cause under
27 rules adopted by the department for this purpose, an applicant
28 or participant convicted under federal or state law of a
29 felony offense, which has as an element the possession, or
30 ~~use, or distribution~~ of a controlled substance, as defined in
31 21 U.S.C. § 802(6), shall be required to participate in drug
32 rehabilitation activities or to fulfill other requirements to
33 verify that the applicant or participant does not illegally
34 possess, or ~~use, or distribute~~ a controlled substance.

35 c. An applicant or participant convicted under federal or

1 The bill amends Code section 234.12, relating to the
2 requirement for the department to administer the food stamp
3 program, to provide that an individual convicted of a felony
4 offense which has an element involving the manufacture or
5 distribution of a controlled substance is ineligible. An
6 individual convicted of a felony offense involving the use or
7 possession of a controlled substance remains subject to the
8 current law which allows the department to apply contingent
9 eligibility requirements.

10 | Code section 239B.5, relating to the department's
11 compliance with federal law for FIP, is amended to apply
12 similar requirements to cash assistance under FIP. An
13 individual convicted of a felony offense which has an element
14 involving the manufacture or distribution of a controlled
15 substance is ineligible for cash assistance under FIP and cash
16 assistance for that individual's family must be paid to a
17 protective payee. The two-year time limit for the use of a
18 protective payee is made inapplicable. Current law remains
19 applicable to an individual convicted of felony use or
20 possession of a controlled substance. Unless exempt for good
21 cause, these individuals are required to participate in drug
22 rehabilitation activities or to fulfill other requirements to
23 verify that the applicant or participant does not illegally
24 possess or use a controlled substance.

25 The bill includes an applicability provision as outlined in
26 the federal law which prohibits a state from applying the
27 eligibility restrictions to convictions which occurred on or
28 before the enactment date of the federal law (August 22,
29 1996).

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HOUSE FILE 20
FISCAL NOTE

A fiscal note for House File 20 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 20 amends Iowa Code Sections 239B.5 and 234.12 to provide that an individual convicted of a felony involving manufacture or distribution of a controlled substance is ineligible for Family Investment Program cash assistance and Food Stamp Program benefits.

BACKGROUND

The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created the federal Temporary Assistance for Needy Families (TANF) Program. The TANF Program provides federal funding for state public assistance programs, including Iowa's Family Investment Program. To administer the Family Investment Program and in accordance with federal law, Iowa enacted Chapter 41, Sections 1 and 6, 1997 Iowa Acts. These sections permit the Department of Human Services (DHS) to restrict Food Stamp and Family Investment Program cash assistance benefits for individuals convicted of a felony offense involving possession, use, or distribution of a controlled substance.

ASSUMPTIONS

1. The DHS will perform state and federal criminal record checks on all existing Family Investment Program and Food Stamp Program recipients and on all income-eligible applicants age 18 or older beginning July 1, 1999.
2. The Family Investment Program will have an existing caseload of approximately 20,000 adults as of July 1, 1999. The Program will receive 1,430 applications per month from income-eligible adults during FY 2000 and FY 2001.
3. The Food Stamp Program will have an existing caseload of approximately 38,000 adults as of July 1, 1999. The Program will receive 2,600 applications per month from income-eligible adults during FY 2000 and FY 2001.
4. State criminal record checks will cost \$13 per person, and federal criminal record checks will cost \$24 per person.
5. Fingerprint records will be required to perform federal criminal record checks. The cost of fingerprinting will be \$5 per person.
6. Costs associated with criminal record checks for Food Stamp recipients and applicants will be 50.0% reimbursed by the federal government.
7. Costs associated with criminal record checks for Family Investment Program recipients and applicants will be 100.0% reimbursed by the federal government.
8. Criminal record checks will deter some potential applicants from applying for and will disqualify some applicants from receiving Family Investment Program and Food Stamp benefits. The associated cost savings cannot be determined.

FISCAL IMPACT

The fiscal impact of House File 20 is estimated to be a State General Fund cost of \$1.9 million in FY 2000 and \$871,000 annually, each year thereafter.

Expenditure Breakdown:

	<u>FY 2000</u>	<u>FY 2001</u>
Federal Criminal Record Checks		
Current benefit recipients	\$1,400,000	\$ 0
New benefit applicants	1,200,000	1,200,000
State Criminal Record Checks		
Current benefit recipients	750,000	0
New benefit applicants	629,000	629,000
Fingerprinting		
Current benefit recipients	288,000	0
New benefit applicants	242,000	242,000
Federal Reimbursements	-2,600,000	-1,200,000
Total State Cost	<u>\$1,909,000</u>	<u>\$ 871,000</u>

SOURCES

- Department of Human Services
- Department of Public Health
- Department of Public Safety

(LSB 1360yh, DAA)

FILED FEBRUARY 11, 1999

BY DENNIS PROUTY, FISCAL DIRECTOR