

February 27, 2014

The Honorable Mary Pilcher-Cook, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 441-E
Topeka, Kansas 66612

Dear Senator Pilcher-Cook:

SUBJECT: Fiscal Note for SB 414 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 414 is respectfully submitted to your committee.

SB 414 would require a public assistance recipient's photograph to be placed on the Kansas Benefits Card, also known as an EBT card. Benefits authorized for public assistance recipients are placed on the EBT card and may be used for cash, work expenses, food, or child care. The bill would require the photograph of the parent or legal guardian of a minor or person with a disability to be on the card. The bill would also authorize the EBT card with a photo to serve as a valid voter identification card. The bill would be effective July 1, 2014.

Estimated State Fiscal Effect				
	FY 2014 SGF	FY 2014 All Funds	FY 2015 SGF	FY 2015 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$408,759	\$846,817
FTE Pos.	--	--	--	5.00

The Department for Children and Families (DCF) estimates that SB 414 would require additional expenditures of \$846,817, including \$408,759 from the State General Fund, in FY 2015. The agency also indicates the need for five new FTE positions to implement the provisions of the bill. The estimate includes one-time salary costs of \$168,840 for temporary staff to photograph current assistance recipients and on-going salary costs of \$196,131 for five new Human Service Assistant FTE positions to photograph new assistance recipients and recipients who need replacement cards. Other operating expenditures to support the new positions are estimated at \$22,597 in FY 2015. DCF would have to purchase 38 cameras with

The Honorable Mary Pilcher-Cook, Chairperson

February 27, 2014

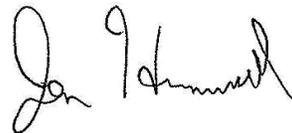
Page 2—SB 414

USB ports and lighting kits, which would cost \$25,990 in FY 2015. The first year estimate to implement the bill would also involve system costs by the agency's EBT contractor. The vendor would have to destroy the existing inventory of EBT cards. Programming and set-up costs would be necessary to produce the new cards, and there would be a \$0.60 charge for each new card. The total estimate for contractor costs in FY 2015 is \$433,259.

SB 414 would also increase expenditures in FY 2016 and beyond. Salaries and other operating expenditures for the five new positions are estimated at \$213,501 in FY 2016 and \$215,594 in FY 2017. DCF indicates that in FY 2016 and beyond, the EBT contractor would charge additional fees of \$71,609 to reflect the more expensive cards. The agency also estimates on-going upkeep for the equipment at \$2,736 per year. Therefore, SB 414 would increase expenditures by \$287,846 in FY 2016 and \$289,939 in FY 2017.

The effective date of this bill would be July 1, 2014; however it is not feasible for the vendor to adapt its system and for DCF to photograph all public assistance clients in the short interval between the bill's passage and July 1. In addition, the U.S. Department of Agriculture limits the amount of Supplemental Nutrition Assistance Program (SNAP) Administration Matching funds each fiscal year. Kansas has no funding available to be used for this purpose in federal FY 2014 which ends September 30, 2014. Therefore, the fiscal effect detailed above assumes an implementation date of October 1, 2014 and assumes that the federal FY 2015 limitation will be sufficient to accommodate \$349,143 in additional SNAP funds which are included in the estimate. Any fiscal effect associated with SB 414 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hummell". The signature is fluid and cursive, with the first name "Jon" being more prominent than the last name "Hummell".

Jon Hummell,
Interim Director of the Budget

cc: Jackie Aubert, DCF