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S.B. 240
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 240's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Sen. Schaffer

Local Impact Statement Procedure Required: Yes

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Highlights

- The Ohio Department of Job and Family Services (ODJFS) could experience costs to update the information technology (IT) systems used to make public assistance benefits eligibility determinations. Costs are uncertain, but will depend on the complexity of updates necessary.
- County departments of job and family services (CDJFSs) will realize costs to provide caseworker training related to improper eligibility determinations.
- County child support enforcement agencies will realize administrative costs due to the provision requiring noncustodial parents to comply with the terms of a court order for the support of a child in order to be eligible for the Supplemental Nutrition Assistance Program (SNAP).
- The bill makes changes to Medicaid income and eligibility determination procedures. Implementing the bill's changes and potentially applying for federal waivers to do so will likely increase administrative expense for the Ohio Department of Medicaid (ODM). If the bill leads to existing recipients being disenrolled from Medicaid, ODM may see decreases in service costs for these individuals who are disenrolled from coverage.

Detailed Analysis

Public assistance programs

The bill requires the Ohio Department of Job and Family Services (ODJFS) to update the systems used by ODJFS and county departments of job and family services (CDJFSs) to make public assistance benefits eligibility determinations. ODJFS must include a mechanism by which application information input by individual caseworkers can be tracked and audited. ODJFS could

realize costs to make any necessary information technology (IT) system updates to their existing systems. Currently, the Ohio Benefits system allows counties to accept applications, enter eligibility supporting documentation, and verify and renew eligibility. If additional functions are necessary to comply with the bill's requirements, there would be costs. The costs will depend on the system configurations necessary – costs will increase for more complex or lengthy reconfigurations. Additionally, the bill requires county departments to provide caseworker training related to improper eligibility determinations. According to the Ohio Job and Family Services Directors' Association (OJFSDA), CDJFSs will realize costs to provide the training required by the bill. Costs would increase for any counties that found it necessary to hire quality control trainers to provide this training. CDJFS's administrative costs are paid for with a combination of federal, state, and for some programs, local funds.

The bill requires the ODJFS Director to submit a copy of a waiver or state plan amendment related to a public assistance benefit program to (1) the Speaker of the House of Representatives, (2) the President of the Senate, and (3) the chairpersons of the relevant House and Senate committees that have jurisdiction of the subject matter of the waiver or state plan amendment. There should be negligible costs to provide a copy of these documents.

Supplemental Nutrition Assistance Program

Account balances

The bill requires ODJFS to periodically monitor the balances of the Supplemental Nutrition Assistance Program (SNAP) accounts stored on electronic benefits transfer cards. If ODJFS discovers that an account contains a balance that exceeds \$2,000, the bill requires ODJFS to determine whether the account is inactive. If the account is inactive, ODJFS must move the account benefits offline or expunge the unused benefits in accordance with federal regulations. According to ODJFS, they currently track the account balances stored on electronic benefits transfer cards. Hence, there should not be any additional administrative costs associated with this provision. SNAP benefits are financed by the federal government, so any benefits expunged return to the federal government.

Work-related eligibility requirements

SNAP recipients who are between the ages of 18 and 49, have no dependents, and are not disabled are only eligible to receive SNAP benefits for up to three months every three years unless they satisfy federally specified work requirements. However, a state may file a federal waiver to exempt certain geographic areas that meet specified conditions from this time limit. The bill prohibits ODJFS from requesting, applying for, or renewing such a waiver, except for instances in which the Governor has declared a state of emergency. The bill requires ODJFS to rescind any previously approved waiver and withdraw any pending request, application, or renewal of such a waiver. Additionally, the bill also prohibits ODJFS from exercising an option under federal law to exempt individuals from the three-month time limit. This could decrease the number of individuals receiving SNAP. Again, SNAP benefits are financed by the federal government. Any benefit reductions would not be reflected in the state budget.

Child support cooperation

The bill requires ODJFS to mandate that noncustodial parents must comply with the terms of a court order for the support of a child to be eligible for SNAP. The child support cooperation requirements in SNAP may lower SNAP benefit costs. Again, SNAP benefits are financed by the

federal government. Any benefit reductions would not be reflected in the state budget. However, this requirement could increase child support enforcement costs and possibly IT costs. According to the United States Department of Agriculture (USDA), implementation of this requirement can create administrative complexity, which could lead to increased administrative costs for child support agencies.¹ In Ohio, county child support enforcement agencies administer child support at the local level.² Additionally, according to the USDA, it is possible that potentially costly enhancements might need to be made to child support and SNAP IT systems to allow necessary information to pass between these two systems. It is uncertain at this time what enhancements might be necessary to implement cooperation between Ohio's systems.

Drug testing requirements

Federal law permanently disqualifies individuals from receiving SNAP benefits or certain other benefits funded by the Temporary Assistance for Needy Families block grant if the individual has been convicted of a federal or state felony offense involving the possession, use, or distribution of a controlled substance. However, federal law also allows states to opt out of this permanent disqualification or to modify the qualification. Currently, in Ohio, individuals with a federal or state felony offense are eligible to receive SNAP benefits and benefits provided under the Ohio Works First program and the Prevention, Retention, and Contingency Program, so long as they meet other program eligibility requirements. The bill imposes a three-year disqualification period under SNAP for an individual with a felony offense involving trafficking a controlled substance unless the individual agrees to submit to random drug testing during the three-year period. This could lead to individuals being ineligible for SNAP benefits, who would have been eligible otherwise. Since SNAP benefits are federally financed, this reduction would not be reflected in the state's budget. ODJFS could realize drug testing and administrative costs to comply with this requirement. This assumes that ODJFS would be responsible for costs associated with the drug tests and not the individual on whom the test is performed. The total testing cost would depend on a number of factors, including the number of individuals that agree to random drug testing, the type of drug testing offered, and the substances being tested for.

SNAP quarterly reports

H.B. 33 of the 135th General Assembly required ODJFS to submit quarterly reports regarding certain SNAP statistics. The bill adds a few additional requirements to these reports. Currently, ODJFS reports the number of out-of-state transactions. The bill requires the report to include the city and state in which each of these out-of-state transactions occur, as well as the amount of each of these transactions. Additionally, the bill requires ODJFS to include the number of accounts that had a transaction in which the final amount processed was a whole dollar amount. ODJFS might experience some minimal costs to include this extra information.

¹ See [Evaluation of Child Support Enforcement Cooperation Requirements in SNAP](#), which may be accessed by conducting an "evaluation of child support" keyword search on the U.S. Department of Agriculture's website: usda.gov.

² Funding for child support enforcement is a combination of federal administrative funds and incentives, state administrative funds, county funds, and fees.

Department of Medicaid

The bill prohibits the Ohio Department of Medicaid (ODM) from taking certain actions relating to income and eligibility determinations for Medicaid recipients, so long as taking these actions would not violate federal laws or regulations. If the required actions of the bill would violate federal laws or regulations, the bill instructs ODM to request a waiver of federal law or regulations to carry out these income and eligibility determination changes. Complying with the regulations of the bill, to the extent they are permitted by existing federal law, and seeking federal waiver approval for those provisions that are not permitted by existing federal law, would likely lead to increased administrative expense for ODM.

If the income and eligibility changes made by the bill lead to existing Medicaid recipients being disenrolled from Medicaid, ODM may see decreases in service costs for those disenrolled individuals. Both administrative and service expenses are a shared state and federal expense. In general, the federal government reimburses 50% of administrative expenses and approximately 63% of service expenses. Thus, the state share of potential fiscal outcomes of the bill would be an increase of 50% of administrative costs, but cost decreases of approximately 37% of service decreases.