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## FISCAL IMPACT REPORT



SPONSOR: Sanchez DATE TYPED: 2/7/02 HB \_\_\_\_\_

SHORT TITLE: Prohibit Private Entity Use by HSD SB 194

ANALYST: Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
			\$.01 See Narrative		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

#### Responses Received From

Human Services Department (HSD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 194 amends the Human Services Department Act to prohibit HSD from retaining a private entity to answer information requests.

#### Significant Issues

The sponsor of the bill may wish to narrow the definition of private entity. For example, does private entity include volunteer workers in the county offices? Does private entity include Welfare to Work contractors working in various regions in the state or contractors working on child support services?

According to HSD, the department provides services to a large number of families and individuals. The department states that the use of contractors and call centers to answer clients' questions are efficient and effective ways of allowing HSD to focus its limited staff on the direct delivery of services.

HSD questions whether SB 194 imposes limitations on program administration that might violate the separation of powers principles.

**FISCAL IMPLICATIONS**

Prohibiting the use of contracted entities to answer information requests, HSD notes, would require HSD to hire additional staff at a significantly greater cost.

**ADMINISTRATIVE IMPLICATIONS**

SB 194 would diminish HSD's ability to carry out its administrative responsibilities, because according to the department, it would require the transfer of existing staff to handle inquiry responsibilities. In addition, the department states that SB 194 would create additional delays in Child Support case handling and preparation because the Child Support Enforcement Division (CSED) does not have sufficient staff to respond to service recipient inquires.

**TECHNICAL ISSUES**

The sponsor may wish to amend the bill to narrow the definition of “ private entity”.

**BD/njw**