

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB 976

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Scott, James M.

3. Committee: Appropriations

4. Title: Temporary Assistance for Needy Families; DSS to annually review amount of payment made to recipient

5. Summary: The proposed legislation directs the Department of Social Services to develop and implement a process for annually reviewing the amount of assistance paid to eligible recipients through the Temporary Assistance for Needy Families (TANF) program and indexing the amount of such payments in an amount equal to the percentage change in the Consumer Price Index (CPI) for the year immediately preceding the year in which the review occurs. The bill further requires the department to report to the Governor and the General Assembly on its progress in implementing the provisions of this act no later than December 1, 2012.

6. Budget Amendment Necessary: Yes

7. Fiscal Impact Estimates: Preliminary

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2012	-	-
2013	-	-
2014	3,295,257	General Fund
2015	6,010,548	General Fund
2016	8,791,006	General Fund
2017	11,638,196	General Fund
2018	14,553,718	General Fund

8. Fiscal Implications: The proposed legislation would require the Department of Social Services to modify benefits for TANF participants by the CPI rate annually. According to the latest Consumer Price Index Summary provided by the United States Bureau of Labor Statistics (January 19, 2012), the CPI increased by three percent over the last twelve months (December 2010 - December 2011). The expected TANF cash assistance cost in FY 2014 is \$109,841,887 as appropriated in the introduced budget. A three percent increase on those benefits, as required by the proposal, would increase TANF benefits by \$3,295,257 in FY 2014. The current monthly statewide average benefit is \$268; as such, this three percent increase would raise the average monthly benefit to \$276. The annual average movement in the CPI over the last ten years (between 2002 and 2011) has been an increase of 2.4 percent.

Therefore, it is assumed that the average TANF benefit increase as required by this legislation will be 2.4 percent annually for fiscal years 2015 through 2018.

Increasing the benefits would also increase the income eligibility threshold so more families could potentially become eligible for benefits; however, the department does not estimate that such an increase would be significant.

There are currently no TANF funds available to fund this increase, so any increase in TANF benefits would be funded with general fund dollars.

9. Specific Agency or Political Subdivisions Affected: Department of Social Services

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/19/12

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