

## Department of Planning and Budget 2020 Fiscal Impact Statement

**1. Bill Number:** HB690-ER

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

**2. Patron:** Aird

**3. Committee:** Passed Both Houses

**4. Title:** TANF; family cap.

**5. Summary:** Repeals the prohibition on increasing the amount of Temporary Assistance for Needy Families (TANF) that a family receives upon the birth of a child during the period of TANF eligibility or during the period in which the family or adult recipient is ineligible for TANF benefits pursuant to a penalty imposed by the Commissioner of Social Services for failure to comply with benefit eligibility or child support requirements.

**6. Budget Amendment Necessary:** No. The Governor's introduced budget includes funding to implement this bill.

**7. Fiscal Impact Estimates:**

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2020	-	-
2021	\$30,742	General fund
	\$667,934	Nongeneral fund
2022	\$30,742	General fund
	\$667,934	Nongeneral fund
2023	\$30,742	General fund
	\$667,934	Nongeneral fund
2024	\$30,742	General fund
	\$667,934	Nongeneral fund
2025	\$30,742	General fund
	\$667,934	Nongeneral fund
2026	\$30,742	General fund
	\$667,934	Nongeneral fund

**8. Fiscal Implications:** This proposal removes a restriction on the eligibility of children born more than ten months after a family begins receiving TANF or TANF UP benefits. It will increase benefits by approximately \$79 a month per newly-eligible child. There are currently 737 ineligible children in current TANF families.

Therefore, this bill requires funding of \$698,676 (\$30,742 general fund and \$667,934 TANF federal funds) in FY 2021 and each year thereafter. The general fund portion of the request is for the estimated number of children who would become eligible to receive benefits under the state funded TANF Unemployed Parent (UP) program, as any changes made to the TANF program are also applied to the UP program.

This proposal will incrementally increase the family's TANF or TANF UP cash benefits, but it also has the possibility of reducing the amount of child support the custodial parent receives for that newly-eligible child, if the parent is currently receiving child support payments. When the newly-eligible child is added to the TANF family's assistance unit, child support will be paid to the DSS Division of Child Support Enforcement (DCSE), per state and federal law. This could result in a loss in income for those families currently receiving child support, if the current amount of child support is higher than the additional TANF benefit. This would also result in an increase in DCSE revenue, because the state receives a portion of child support collected on behalf of TANF recipients.

**9. Specific Agency or Political Subdivisions Affected:** Department of Social Services, local departments of social services

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.