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FISCAL NOTE

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The Bill amends eligibility for the Reach Up (TANF) and Child Care subsidy programs.

Disregarding Income Deposited in Education Accounts
For both Reach Up and the Child Care Services Program the bill would explicitly exclude income that is deposited in a qualified child education account in the calculation of the benefit for either the Reach Up or the Child Care assistance programs. The Department of Children and Families reports the impact of these changes would be negligible in either program. These impacts would be absorbable within the limits of typical caseload fluctuation anticipated annually in the budget. This change would not require additional resources to be appropriated in the FY18 budget.

Note: There are proposals and discussions related to increasing the state minimum wage above the current law projections. Please note the income disregard above will likely impact the estimates of program cost savings associated with any future minimum wage proposals especially any savings related to the child care subsidy.

Asset Limit for Reach Up Eligibility
The bill proposes to eliminate any asset limit for Reach Up eligibility. The current asset limit is $2,000. The Department reports that a specific cost estimate is difficult calculate. They know that based on the caseload that is denied or terminated as a result the family reaching the $2,000 asset limit, the impact could be up to $250,000. However this does not account for the fact that families often use up the asset and are then eligible for benefits again.

The Department reports moving the asset limit up to $10,000 as opposed to a complete elimination i.e. no limit would result in negligible caseload and cost impacts that would be absorbed with the existing budget proposed for FY18.