

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE

House Bill 498 (Delegate Shriver. *et al.*)

Appropriations

Family Investment Program - Temporary Cash Assistance Payments - Housing Subsidies, Benefits, and Payments

This bill prohibits the Secretary of Human Resources from counting housing assistance subsidies, benefits, or payments as unearned income when calculating eligibility for temporary cash benefits under the Family Investment Program.

Fiscal Summary

State Effect: Confined general/federal fund expenditure increase of \$3.7 million in FY 2001. Future year expenditures reflect annualization and inflation. Revenues would not be affected.

(in millions)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF/ FF Expenditures*	3.7	5.0	5.1	5.1	5.2
Net Effect	(\$3.7)	(\$5.0)	(\$5.1)	(\$5.1)	(\$5.2)

Note: () = decrease; GF = general funds; FF = federal funds; - = indeterminate effect

** represents combined pool of general funds and federal block grant funds*

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Under the Welfare Innovation Act of 1996, the State counts up to \$60 per month in housing assistance as unearned income when calculating eligibility for temporary cash benefits under the Family Investment Program. The Temporary Cash Assistance (TCA) grant award is reduced by \$60 for each family receiving housing assistance.

Background: Family Investment Program regulations state that governmental housing subsidies in excess of \$60 per month are excluded and are not countable as income. The first \$60 is counted as assistance income and the monthly TCA grant award is reduced by this amount when a family is receiving housing assistance. This exclusion applies when a member of an assistance unit (used to determine the allowable amount of TCA benefits) or recipient resides in public housing, Section 8 housing, housing receiving rental assistance from the Farmer's Home Administration (FMHA), Housing and Urban Development (HUD), or any other federal, State, or local housing assistance subsidies, benefits, or payments. In addition, the regulations stipulate that TCA income calculations apply to both members of an assistance unit and nonmembers whose income is countable to the assistance unit.

State Fiscal Effect: General/federal fund expenditures could increase by \$3.7 million in fiscal 2001 by excluding the first \$60 of housing assistance as unearned income when determining current TCA award amounts. This estimate reflects a \$60 per month increase for 6,900 families currently receiving housing subsidies and the bill's October 1, 2000, effective date. The bill's provisions are not expected to impact TCA caseloads or create a noticeable increase in applications. Future year expenditures reflect a stable number of eligible families, annualization, and inflation.

The proposed 2001 budget includes \$96.6 million for cash assistance payments, of which \$43.4 million is federal block grant funds, and \$39.3 million is general funds. The remaining \$13.9 million is the State share of child support collections on behalf of TCA recipients. TCA expenditures are represented as a total pool of State and federal funds, and the exact split used for a particular program is not readily known. Any funds used to support the bill's requirements result in fewer funds available for other uses.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Human Resources, Department of Legislative Services

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