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## **OLR Bill Analysis**

### **sHB 6635**

#### ***AN ACT CONCERNING TEMPORARY FAMILY ASSISTANCE.***

#### **SUMMARY**

This bill makes several changes to Temporary Family Assistance (TFA, see BACKGROUND), the state's cash assistance program for low-income families administered by the Department of Social Services (DSS). Principally, it extends the time limit for TFA benefits from 21 months, with extensions given under certain circumstances, to 60 months with most extensions eliminated.

The bill modifies existing time-limit exemptions by, among other things, making them discretionary and excluding benefits received during the declared COVID-19 public health emergency from the time limit. It requires benefit increases to be provided whenever the program lapses funds at the end of the fiscal year. In addition, it eliminates penalties for families with children born after program enrollment.

The bill repeals an inactive pilot program to provide case management and additional supports to up to 100 TFA recipients participating in its employment services program.

Lastly, the bill replaces a reference to the Connecticut Law Journal, instead requiring DSS to post notices of its intent to adopt regulations on its website and the eRegulations system. It also makes numerous technical and conforming changes.

**EFFECTIVE DATE:** July 1, 2021, except the pilot program repeal is effective upon passage.

#### **TIME LIMITS**

TFA is funded in part by the federal Temporary Assistance for Needy Families (TANF) block grant. Federal law generally applies a

60-month lifetime limit for receiving TANF-funded cash assistance, though states may establish shorter time limits. Under current law, Connecticut generally applies a 21-month limit on receiving TFA benefits; however, families are exempt from these time limits under specified circumstances (e.g., a minor parent finishing high school). Families not exempt may apply for up to two 6-month time-limit extensions if they meet certain criteria. The bill:

1. extends the program time limit from 21 months to 60 months for all recipients and
2. eliminates all but one criterion for receiving an extension under current law: domestic violence that makes the individual unable to obtain or maintain employment (CGS § 17b-112b).

Current law requires the DSS commissioner to exempt a family from time-limited benefits for seven specified circumstances. The bill retains these exemptions but gives the commissioner discretion in granting them rather than requiring her to do so. It also adds an eighth circumstance for a possible exemption if a family has encountered circumstances preventing employment, including domestic violence.

In addition, the bill excludes from the time limit any months a family received TFA cash benefits during the declared COVID-19 public health emergency (see BACKGROUND). (Benefits received during this period still count toward the federal funding limit of 60 months, but nothing precludes the state from funding benefits beyond the federal limit.)

### **COST OF LIVING ADJUSTMENTS**

Under the bill, beginning in FY 22, whenever TFA appropriated funds lapse at the close of any fiscal year, the bill requires the DSS commissioner to provide:

1. a cost of living adjustment (COLA) in TFA benefits equal to the most recent percentage increase in the Consumer Price Index for Urban Consumers (CPI-U) if the lapsing funds are sufficient to cover it, or

2. a prorated benefit increase if the funds are insufficient to cover a COLA.

## **CHILD CAP**

Under current law, Connecticut penalizes families with children born after their initial 10 months of TFA program participation by (1) reducing by 50 percent the additional cash benefit they would otherwise receive for a child and (2) prohibiting the family from qualifying for a time-limit exemption on the basis of caring for such a “capped child” under one year of age. The bill eliminates both of these penalties.

## **BACKGROUND**

### ***TFA Eligibility and Benefits***

To be eligible for TFA, a family must (1) have a dependent child (or pregnancy) and (2) meet income and asset limits. The income limit for TFA applicants is known as the Standard of Need (SON), a monthly standard that represents the amount deemed necessary for the normal, recurring, basic needs of a family. The SON depends on the (1) applicant’s family size and (2) region of the state in which the family resides. The asset limit is \$3,000. DSS excludes certain types of income and assets when determining eligibility (e.g., life insurance policies and a car below a certain value).

The TFA benefit amount is based on a payment standard that also depends on family size and region. The monthly payment standard (the maximum benefit amount) for a family of three ranges from \$589 to \$698 (TANF State Plan, p. 52). DSS deducts certain types of income from the payment standard to calculate the monthly benefit amount (e.g., child support above \$50).

### ***Related Executive Order***

Executive Order 7N, § 6, issued March 26, 2020, excludes TFA benefits received during the declared emergencies from the statutory 21-month time limit.

## **COMMITTEE ACTION**

Human Services Committee

Joint Favorable Substitute

Yea 13 Nay 6 (04/01/2021)