

# OFFICE OF FISCAL ANALYSIS

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sHB-6635

AN ACT CONCERNING TEMPORARY FAMILY ASSISTANCE.

## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Resources of the General Fund	GF - Potential Revenue Loss	\$760,000	\$1.6 million
Social Services, Dept.	GF - Cost	At least \$5.4 million	At least \$5.4 million

Note: GF=General Fund

**Municipal Impact:** None

### **Explanation**

The bill increases the length of time, from 21 months with extensions to 60 months (the federal maximum), that a family subject to time limits can receive TFA benefits. This results in a cost to the Department of Social Services (DSS) of at least \$5 million annually. DSS will incur additional costs if former clients re-enroll in the program. The agency may incur additional costs for system adjustments to reflect eligibility changes.

The bill also increases the benefit amount paid to families for children born while enrolled in the program by eliminating the "family cap" provision. This results in a cost to DSS of approximately \$400,000 annually.

The bill also requires DSS to provide a Cost-of-Living Adjustment (COLA) whenever funds appropriated for TFA lapse and are sufficient to cover the adjustment. This could result in a revenue loss to the

Resources of the General Fund by expending funds that would otherwise lapse. The COLA must be equal to the most recent percentage increase in the Consumer Price Index for Urban Consumers (CPI-U). The value of the COLA is estimated to be \$760,000 in FY 22 and \$1.6 million in FY 23, assuming lapsing funds are available.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to program enrollment, the availability of lapsing funds, and the change in CPI-U.