



## State Fiscal Note for Bill Number: 2013-H-5410

**Date of State Budget Office Approval:**

**Date Requested:** Friday, March 29, 2013

**Date Due:** Monday, April 08, 2013

### Impact on Expenditures

FY 2013	N/A
FY 2014	Indeterminate
FY 2015	Indeterminate

### Impact on Revenues

FY 2013
FY 2014
FY 2015

*Explanation by State  
Budget Office:*

This bill proposes a major modification to the Rhode Island Works Program (RIW): elimination of the provision restricting the duration of cash benefits to no greater than 24 months (consecutive or not) within a 60-month time period. In addition, the bill directs the Department of Human Services (DHS) to commence publication of an annual report to the General Assembly regarding the overall functioning of the RIW program. As set forth in (new) Section 40-5.2-40, the annual report shall detail various demographic trends in the RIW client-base, explain caseload fluctuations (case openings and closures), provide recipient employment statistics, and contain fiscal data such as the program's utilization of the TANF block grant and the various components of TANF Maintenance of Effort (MOE) attainment.

*Comments on  
Sources of Funds:*

At this time, the Rhode Island Works program is funded entirely through appropriations of the federal TANF block grant. Therefore, the expenditure-side ramifications of this bill would involve federal funds. To the extent that TANF financing is unavailable in a given fiscal year, however, general revenue appropriations will be required to supplement the shortfall.

*Summary of Facts  
and Assumptions:*

(1) It is assumed that the bill will take effect as of July 1, 2013. Therefore, no fiscal impact in FY 2013 is presumed.

(2) The fiscal impact is reported as indeterminate for both FY 2014 and FY 2015 due to the unavailability of the precise data necessary to estimate the effects of repealing the 24/60-month restriction. The Department has noted that the expanded reporting requirements set forth in proposed Section 40-5.2-40 are largely (though not wholly) duplicative of RIW caseload and program reporting that is currently conducted. As such, no material fiscal impact is anticipated to result from this provision of this Act. However, it must be noted that the bill's fiscal impact is likely to be material with respect to the removal of the 24/60-month "clock".

(3) For informational purposes only, the following discussion outlines the potential magnitude of fiscal impact by utilizing average monthly disenrollment statistics (from FY 2013 YTD) combined with prevailing CEC estimates. The Department of Human Services (DHS) cites an average decline of 89 cases per month due to the imposition of the 24/60-month restriction. Assuming that the repeal of the 24/60-month rule yields an equivalent rate of caseload retention (i.e. foregone savings), the average cumulative caseload increase would total 579 cases (1,388 persons) in FY 2014 and 1,647 cases (3,952 persons) in FY 2015. The November 2012 Caseload Estimating Conference (CEC) adopted a RIW monthly cost per person estimate of

*Prepared by:*

Daniel Orgel / 4012222329 / Daniel.Orgel@budget.ri.gov

Tuesday, April 09, 2013

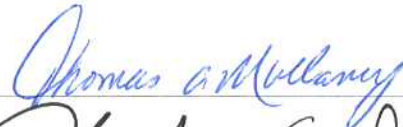
Page 1 of 2

\$191.00 for FY 2014. Based on this figure, and assuming an unchanged CEC estimate in FY 2015, the bill would necessitate additional expenditures of \$3,182,213 and \$9,057,067 in FY 2014 and FY 2015, respectively. Such an estimate is highly tenuous since it assumes a constant level of monthly case retention (i.e. a constant 24/60-induced disenrollment trend) and ignores the effect(s) of program re-entry for those disqualified from RIW under the 24/60-month rule prior to FY 2014. Unfortunately, DHS does not currently maintain data permitting a more specific assessment of these variables.

*Summary of Fiscal  
Impact:*

FY 2013: N/A  
FY 2014 and FY 2015: Indeterminate

*Budget Office Signature:*



*Fiscal Advisor Signature:*

