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LB 507

Revision: 02

FISCAL NOTE

Revised based on amendments adopted through

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill would change the Aid to Dependent (ADC) work participation requirements for adults, ages of 20 and 23, from the required 30 hours a week to 20 hours a week and allows time spent in education directly related to employment, including but not limited to, Adult Basic Education and English as a Second Language to count towards meeting those requirements. The Department of Health and Human Services may suspend participation if the state's work participation rate does not exceed the target work rate by 10%and until such time when the work participation rate exceeds the target by 10% for three consecutive months.

Adult members over age of 19 in families receiving ADC assistance are required to participate in certain employment activities for 30 hours per week. Some educational activities such as enrollment in post-secondary education are allowable work activities under federal regulations. Adult Basic Education and English as a Second Language are not allowable. The lower weekly work-hour participation requirement for those ages 20 to 23 also would not be in compliance with federal work requirements and would count against the state's work participation rate.

In order to stay in compliance with federal work participation requirements the state rate must be 50% or higher. The state's work participation rates prior to caseload reductions being applied range between 49% and 53%. Because the state has an Earned Income Tax Credit and a Child Care Tax credit, the state exceeds the Maintenance of Effort (MOE) requirement which is between $28 million and $31 million annually. Excess MOE can be used for a caseload credit reduction which can be used to lower the target work participation rate to a rate of less than 50%.

The committee amendment states the intent to carry out the provisions of this bill within the available appropriations and any state funds that are used must meet the definition of a qualified state expenditure under the Temporary Assistance for Needy Families. No additional state funds are being provided to implement the provisions of this bill. Implementation will depend on the availability of appropriated funds and federal TANF funds.