

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 2039 - HB 2061**

February 24, 2014

**SUMMARY OF BILL:** Limits the amount of continuous assistance a family may receive in the Temporary Assistance for Needy Families (TANF) program to 18 months, unless the family is granted an exemption to the limitation.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$134,900/One-Time  
\$55,400/FY15-16 and Subsequent Years**

Assumptions:

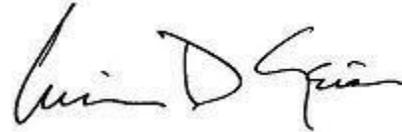
- According to the Department of Human Services (DHS), there will be necessary programming and systems changes to the ACCENT program to make a recipient non-eligible at 36 months.
- The ACCENT program will also have to be reprogrammed to track time limits for two groups of enrollees: those individuals deemed eligible prior to July 1, 2014, who will have 60 total months of assistance and those who apply after July 1, 2014, and will be limited to 18 consecutive months of assistance within the 60 month period.
- The department estimates the following programming hours will be necessary: develop system requirements (250 hours); analyst support for subsequent phases (100 hours); reporting (50 hours); database expansion (20 hours); conversion of limitation (150 hours); changes to online functionality (240 hours); changes to batch reporting (150 hours); new batch reporting (100 hours); changes to the 45, 50, and 55 day notices (60 hours); new notices (120 hours); and user acceptance test (500 hours).
- The contracted rate for the ACCENT program is \$62 per hour resulting in an increase in expenditures of \$107,880 [ $\$62 \times (250 + 100 + 50 + 20 + 150 + 240 + 150 + 100 + 60 + 120 + 500)$ ].
- The department estimates approximately 53,000 informational notices would need to be mailed. Printing and postage costs are estimated to be \$27,030 ( $53,000 \times \$0.51$ ).
- Total one-time expenditures will be \$134,910 ( $\$107,880 + \$27,030$ ).
- According to DHS, on average there are 144,900 annual applications for TANF. Over the 60-month period of total assistance, the department will have to send notices at each 18 month interval (18 months, 36 months, and 54 months) with some lag time in-between the intervals.

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- There will be a total of three additional notices for each applicant. It is assumed that the initial notice will not be sent until the second year (FY15-16); therefore, the additional costs will occur sometime over a four year period.
- Additional printing and postage costs for the 144,900 applicants over the 60 month total will be \$221,697 (144,900 x 3 notices x \$0.51). The annualized cost over a four year period is estimated to be \$55,424.25 (\$221,697 / 4 years).
- Any TANF funds not utilized due to the reduction of assistance months will be re-invested in the TANF program to provide other services.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/kml