TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE

FISCAL NOTE

HB 583 - SB 483

March 31, 2021

SUMMARY OF BILL: Enacts the *Pathways to Prosperity Act*. Requires the Department of Human Services (DHS) to create a two-year pilot program that establishes an optional alternative pathway and enhanced temporary cash assistance for families with individuals who are pursuing an educational advancement. Requires the annual cost of the program to not exceed the amount of the state's annual federal Temporary Assistance for Needy Families (TANF) block grant award. Terminates the pilot program two years from the effective date of the first rule promulgated for its operation.

Requires DHS to implement a work reimbursement program utilizing TANF funds to assist employed individuals receiving temporary assistance in maintaining employment and achieving economic stability by reimbursing certain expenses incurred due to employment. Requires DHS to implement an educational incentive program utilizing TANF funds to provide incentive payments to TANF recipients who achieve certain educational milestones. Both the work reimbursement program and the educational incentive program take effect October 1, 2021. All other provisions of the legislation take effect upon becoming law.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Passage of the proposed legislation will result in a recurring increase in federal Temporary Assistance for Needy Families (TANF) expenditures in an unknown amount to the Department of Human Services in FY21-22 and subsequent years. It is estimated that these expenditures can currently be absorbed within DHS's existing TANF block grant and reserve funds. However, to the extent other legislation is enacted that utilizes such funding, DHS may experience an increase in state expenditures to meet the requirements of this legislation. The extent and timing of any such increases are dependent upon future events and are unknown at this time.

Assumptions:

- The number of eligible recipients participating in the two-year pilot program, the work reimbursement program, or the educational incentive program, and the amount of temporary assistance that will be awarded to those recipients is unknown. However, the legislation requires the cost of the pilot-program not exceed the Department's annual federal TANF block grant.

- Based on information provided by DHS, any increase in expenditures associated with any of the required programs is estimated to be absorbed within existing TANF resources.
- To the extent other legislation is enacted utilizing DHS's annual federal TANF block grant or reserves, DHS may experience an increase in state expenditures to meet the requirements of this legislation. The extent and timing of any additional fiscal impact to DHS cannot be reasonably determined.

CERTIFICATION:

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

Krista Lee Carsner

Krista Lee Carsner, Executive Director

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