

HB 5100 Unspecified Reductions
Agency: Department of Human Services
Appropriation: Adult and Family Services (AFS)

Program Description by Appropriation	Impact of reduction	Date Implemented	2001-03 Fiscal Impact					2003-05 Fiscal Impact						
			General Fund	Lott-ery Funds	Other Funds	Federal Funds	Total Funds	FTE	General Fund	Lott-ery Funds	Other Funds	Federal Funds	Total Funds	FTE
Across-the-Board Reductions (\$88 Million Target)														
Central administrative staff reductions			(54,227)			(52,572)	(106,799)	(0.60)						
Reduce JOBS Program contract and support services. No rules or system changes would be required to achieve this cut. Thirty-five fewer families would be placed into employment each month, resulting in a TANF caseload increase of 134 families. This is partially offset by 36 fewer daycare families. Effective February, 2003.	36 fewer families would require daycare services. Admin cost would climb by \$66,000 as a result of more TANF cases. Offset by fewer daycare cases.	2/1/03	(2,134,832)				(2,134,832)	0.13	(914,963)				(914,963)	2.93
Increase the Employment Related Day Care (ERDC) Copay by \$18 for all families. Effective February, 2003. This includes increasing the minimum copay from \$25 to \$43. This would likely result in 335 families leaving ERDC to seek alternative childcare. An alternative for some of these families may be to simply leave the children unsupervised. Effective February 2003	Clients bear more of the cost for childcare. For some, it will force them back to TANF. Providers will come under pressure to accept the reduced reimbursement from DHS, and potentially "forgive" the additional copay.	2/1/03	(1,488,136)				(1,488,136)	(0.03)	(3,843,695)				(3,843,695)	(0.77)
Reduce daycare income eligibility from 185% to 150% of the Federal Poverty Level (FPL). Eliminates 446 current families from further service. 45 of these families are expected to return to cash assistance. Effective February, 2003.	Will increase day care expenses for some families, causing some to return to cash assistance. Providers will be affected as they lose clients. Families with income between 150% and 180% of the FPL are less expensive because they pay a larger portion of childcare costs. The return rate to cash assistance is less because they have been off assistance for a longer period of time.	2/1/03	(273,993)				(273,993)	(0.08)	(1,599,001)				(1,599,001)	(1.84)

HB 5100 Unspecified Reductions
Agency: Department of Human Services
Appropriation: Adult and Family Services (AFS)

Program Description by Appropriation	Impact of reduction	Date Implemented	2001-03 Fiscal Impact						2003-05 Fiscal Impact					
			General Fund	Lott-ery Funds	Other Funds	Federal Funds	Total Funds	FTE	General Fund	Lott-ery Funds	Other Funds	Federal Funds	Total Funds	FTE
<p>Reduce the TANF Grant by an average of \$5 per month. Since 1991, the maximum grant for a family of three persons has been \$460 per month.</p> <p>This reduction would result in 164 families becoming ineligible for TANF. Forty-two families are expected to move onto Employment Related Day Care (ERDC). Effective February 2003.</p>	<p>Grant has not been increased since 1991. Currently the grant represents about 72% of the spending power in 1991.</p> <p>Clients will have additional problems meeting daily living needs. They may access Food Banks and other community providers more often.</p>	2/1/03	(544,187)				(544,187)	(0.11)	(2,666,629)				(2,666,629)	(2.45)
<p>Eliminate the minimum copay allowance granted new Employment Related Day Care (ERDC) cases during the first two months of ERDC eligibility.</p> <p>Increase the average copay for all cases by an additional \$19 beyond the \$18 increase listed in MA-2 (minimum copay remains at \$43 as readjusted under MA-2). 259 families are expected to leave ERDC and 104 families will return to TANF. Effective February 2003.</p>	<p>Clients bear more of the cost for childcare. For some, it will force them back to TANF. Providers will come under pressure to accept the reduced reimbursement from DHS, and potentially "forgive" the additional copay.</p>	2/1/03	(1,270,848)				(1,270,848)	0.02	(6,398,347)				(6,398,347)	0.37
Subtotal			(5,766,223)	-	-	(52,572)	(5,818,795)	(0.67)	(15,422,635)	-	-	-	(15,422,635)	(1.76)