CONFIDENTIAL

LEGISLATIVE BILL REVIEW FORM: 2014

Bill Number:_______H.790__________ Name of Bill:_____An Act Relating to Reach Up Eligibility______________

Agency/ Dept:_____AHS/DCF________________ Author of Bill Review: Karina Ware, Karolyn White, Heidi Moreau___

Date of Bill Review:___2.12.14____________ Status of Bill: (check one):

__x___Upon Introduction _____ As passed by 1st body _____As passed by both bodies

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Recommended Position:

_____Support __X__Oppose _____Remain Neutral _____Support with modifications identified in #8 below

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Analysis of Bill

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1. Summary of bill and issue it addresses. *Describe what the bill is intended to accomplish and why.*

This bill proposes to disregard all of a family's assets in determining financial eligibility for Reach Up benefits. It will replace the current earned income disregards with graduated disregards based on the percentage of the family's earned income (up to 100% of the Federal Poverty Level) and the length of time the family has been participating in the program. For the first six months a family participates in the program, 100% of earned income (up to 100% of the FPL) will be disregarded; for months seven through nine, 75% of earned income (up to 100% of the FPL) will be disregarded; after nine months, 50% of earned income (up to 100% of the FPL) will be disregarded. This bill also adds clarifying language that earnings from both subsidized and unsubsidized jobs qualify for the earned income tax credit.

2. Is there a need for this bill? *Please explain why or why not.*

Asset and earned income disregards have been shown to promote job retention and financial stability among public assistance recipients.

3. What are likely to be the fiscal and programmatic implications of this bill for this Department?

Expanding the asset and earned income disregards will increase the Reach Up caseload.

Increasing the number of working families on Reach Up could increase the state's Work Participation Rate.

Implementing the proposed asset and earned income disregards will require labor intensive changes to ACCESS; if these changes cannot be made, these provisions will need to be implemented manually.

Expanding the asset disregard will cost the state approximately $441,000 per year.

Expanding the earned income disregards will cost the state approximately $4,101,168 per year.

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4. **What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?**

N/A

5. **What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it?** (f*or example, public, municipalities, organizations, business, regulated entities, etc)*

N/A

6. **Other Stakeholders:**

    6.1 Who else is likely to support the proposal and why?

    Advocates for low-income families

    6.2 Who else is likely to oppose the proposal and why?

    Those opposed to expanding eligibility for public assistance. Those concerned about additional impacts to the state's budget.

7. **Rationale for recommendation:** *Justify recommendation stated above.*

This recommendation is based on the unknown factor of how many additional working families would be added to the Reach Up caseload. If the additional working families were meeting their work requirement and the number of these families were sufficient to increase the work participation rate (WPR) it might offset the cost to the state. If the cost were not to be offset by a large enough WPR increase then the funds would have to be taken from existing state budget sources. With so many unknowns we are not able to support the bill.

8. **Specific modifications that would be needed to recommend support of this bill***: Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

Secretary/Commissioner has reviewed this document: _________________________ Date: ________

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