


Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Kwame R. Brown
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: June 5, 2012

SUBJECT: Fiscal Impact Statement -Amendment to Fiscal Year 2013 Budget Support Act of 2012, Subtitle V(Q) "Temporary Assistance for Needy Families Fiscal Year 2013 Reduction Delay Act of 2012"

REFERENCE: Draft Amendment by Councilmember Graham to B19-743 as Shared with the Office of Revenue Analysis on June 4, 2012

Conclusion

Funds are not sufficient in the proposed FY 2013 through FY 2016 budget and financial plan to implement the bill. The amendment is estimated to cost approximately \$3.87 million in the proposed FY 2013 budget and \$15.4 million over the proposed FY 2013 through FY 2016 financial plan period.¹

Background

This amendment delays the scheduled graduated reductions in the cash assistance payments for recipients that have been receiving benefits under the Temporary Assistance for Needy Families (TANF) program for 60 months or longer. Under current law,² benefits for this population will be reduced by 25 percent in FY 2013, 41.7 percent in FY 2014, and after FY 2015 benefits will no longer be paid out to individuals who exceed the 60-month time limit. This amendment delays the start of the reductions to FY 2014.

Financial Plan Impact

¹ The estimate assumes that Subtitle V(Q) of Fiscal Year 2013 Budget Support Act of 2012 is enacted, and funded. If this amendment were to be implemented as a stand-alone proposal, its costs would have been \$5.8 million in FY 2013 and \$23.3 million over the four-year financial plan.

² D.C. Official Code §4-205.52(c-3).

The Honorable Kwame R. Brown

FIS: Draft: "Temporary Assistance for Needy Families Fiscal Year 2013 Reduction Delay Act of 2012," as Shared with the OCFO on June 4, 2012

Funds are not sufficient in the proposed FY 2013 through FY 2016 budget and financial plan to implement the amendment. Delaying the graduated reduction schedule for TANF benefits for recipients who exceed the 60-month time limit is estimated to cost approximately \$3.9 million in FY 2013 and \$15.4 million over the four year budget and financial plan. The estimated cost is detailed in the table below.

Estimated Fiscal Impact of the Temporary Assistance for Needy Families Fiscal Year 2013 Reduction Delay Act of 2012					
	FY 2013	FY 2014	FY 2015	FY 2016	Four-Year Total
Estimated cost of delaying benefit reduction ^{1,2}	\$3,870,000	\$4,798,800	\$6,759,600	\$0	\$15,428,400

Source: Office of Revenue Analysis based on Caseload data on recipients over the 60-month time limit provided by DHS

Table Notes

¹ Under current law, cash assistance payments will be reduced by 25% in FY 2013 and another 41.7% in FY 2014. No payments would be made starting FY 2015. Under the amendment, there would be no reduction in FY 2013, a 25% reduction in FY 2014 and 41.7% reduction in FY 2015. No payments would be made starting in FY 2016.

² DHS will not incur any administrative costs to delay the reduction schedule.