

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 142 – SB 751**

February 26, 2021

**SUMMARY OF BILL:** Requires certain investigative records and information of the Department of Human Services (DHS) be confidential during the course of an investigation. Establishes a violation of this is a Class B misdemeanor.

Increases fines, from between \$1,000 and \$5,000 to between \$2,500 and \$10,000, for fraudulently obtaining temporary cash or food assistance of \$100 or more if the fraud is perpetrated by willfully false impersonation, assumption of a false identity, or presentation of a false identification.

Eliminates Families First Councils in each county of the state, and replaces the initiative with Families First Community Advisory meetings to be held in each of the three grand divisions at least twice annually. Requires the DHS publish on its website the agenda and meeting minutes for each meeting.

Creates a two-year pilot program that establishes an optional alternative pathway for enhanced temporary cash assistance or educational support services 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.

Increases the maximum standard grant award for the temporary assistance program to no less than 25 percent of the standard of need.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact - Increasing the maximum standard grant award for eligible Temporary Assistance for Needy Families (TANF) recipients to no less than 25 percent and offering enhanced assistance to a small number of recipients participating in the pilot program will increase federal TANF expenditures to the Department of Human Services (DHS) by an amount exceeding \$24,000,000 in FY21-22 and subsequent years. These expenditures can be absorbed within DHS's existing TANF block grant funds. To the extent other legislation is enacted utilizing such funding, DHS may experience an increase in state expenditures. The extent and timing of any additional fiscal impact to DHS cannot be reasonably determined.**

Assumptions:

- DHS can convene the Families First Community Advisory meetings, publish agendas and minutes on its website, and administer the two-year pilot program utilizing existing resources; therefore, any increase in expenditures for administering these is estimated to be not significant.
- According to information provided by the Administrative Office of the Courts, in the past three years, there were zero convictions for cash assistance fraud and an average of 10 convictions for food assistance fraud. Based on the Fiscal Review Committee's 2008 study and the Administrative Office of the Courts' 2012 study on collection of court costs, fees, and fines, collection in criminal cases is insignificant. Any increase in state revenue as a result of the increased fines for these offenses is estimated to be not significant.
- There will not be a sufficient number of Class B misdemeanor prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- The number of eligible recipients participating in the two-year pilot program, and the amount of temporary assistance that will be awarded to those recipients is unknown. However, the legislation requires the cost to not exceed the Department's annual federal TANF block grant. DHS estimates the increase in expenditures can be absorbed within existing TANF resources.
- Based on information provided by DHS, increasing the maximum standard grant award in the temporary assistance program will result in an increase in TANF expenditures of approximately \$24,000,000 in FY21-22 and subsequent years.
- The current projected annualized expenditures for temporary assistance in FY20-21 is \$51,744,240. The FY20-21 budget for this program is \$102,965,500. It is assumed these numbers will remain constant in FY21-22 and subsequent years. Therefore, the increase in expenditures of approximately \$24,000,000 in FY21-22 and subsequent years is estimated to be absorbed within existing TANF resources.
- To the extent other legislation is enacted utilizing DHS's annual federal TANF block grant, DHS may experience an increase in state expenditures. 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.



Bojan Savic, Interim Executive Director

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