

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	70,258		70,258	
CASH FUNDS				
FEDERAL FUNDS	105,386		105,386	
OTHER FUNDS				
TOTAL FUNDS	175,644		175,644	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill expands the definition of education for the purposes of meeting work requirements under the Aid to Dependent Children Program (ADC). The definition adds postsecondary education leading to a baccalaureate degree or an associate degree, vocational education and work activities related to such education.

Currently only 12 months of an associate's degree is allowed to count towards required work activities. Approximately 41 clients a year leave the ADC Program to continue their education beyond 12 months. Based on the average monthly payment of \$357, the cost to continue ADC coverage for families when the caretaker continues postsecondary education beyond 12 months would be \$175,644 (\$70,258 GF and \$105,386 FF) annually.

The Deficit Reduction Act of 2005 increased the threshold for work participation requirements and also changed how states may structure their programs to meet those requirements. Information from the National Conference of State Legislatures on the final rule for the Temporary Assistance for Needy Families indicates that states may allow postsecondary education beyond 12 months of an associate's degree to be either in state-funded, non-maintenance of effort programs or allow the participants to continue their coursework but not count towards meeting the work participation requirements. In this fiscal note, it is assumed the participants would be funded through federal TANF funds and state general funds and the participants would count against the state meeting the federal work participation rate.