

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7941

BILL NUMBER: HB 1796

DATE PREPARED: Jan 21, 1999

BILL AMENDED:

SUBJECT: Personal Allowance for County Home Residents.

FISCAL ANALYST: Alan Gossard

PHONE NUMBER: 233-3546

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill allows a resident of a county home to retain one-half of the individual's employment income, after certain deductions.

Effective Date: July 1, 1999.

Explanation of State Expenditures: This bill allows individuals who are residents of county homes (and are recipients in the Assistance to Residents of County Homes (ARCH) program) and who work, to keep 50% of their monthly earnings after deducting: (1) the first \$16; (2) the amount withheld for state and federal income taxes and for Social Security; and (3) the costs of transportation. The impact to the state should be minimal.

The earnings that this bill allows county home residents to retain are dollars that would have otherwise been required to be contributed toward the resident's care. Consequently, state expenditures will increase equivalent to the additional earnings allowed to be retained by the individual. However, according to the Division of Disability, Aging, and Rehabilitative Services (DDARS), only about 1% to 3% of county home residents work and the typical earnings are small. Thus, the total dollars involved would be minimal.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration

Local Agencies Affected:

Information Sources: Bob Hornyak, DDARS, 232-7020.