

**Economic Impact Statement**

LSA Document #10-244

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**

The Office of the Secretary of Family and Social Services, Division of Family Resources (Division of Family Resources) is publishing this Economic Impact Statement for the proposed temporary assistance for needy families (TANF) program rule.

The primary goals of the proposed rule are to (1) exempt funds in 529 College Savings Plans and Coverdell Education Savings Accounts from the asset test for eligibility in the TANF cash assistance program; (2) add caretaker relative to the list of individuals to whom potential harm or the threat of harm should be considered when determining good cause for failing to comply with child support enforcement and implementing minimum sanction penalty periods for individuals failing to cooperate with the IMPACT employment and training program; and (3) toughen penalties for clients who are noncompliant with the IMPACT program by requiring them to complete two weeks of activities to be in compliance.

A copy of the rule and the Notice of Intent to Adopt a Rule are attached. The statement appears below:

**IC 4-22-2-28 Economic Impact Statement**

The Division of Family Resources has reviewed the proposed rule to determine the economic impact of the rule on regulated entities and the extent to which the proposed rule creates an unfunded mandate on the agency. The Division of Family Resources has determined, based on the information available at the time of the rule promulgation, that the proposed rule does not have an estimated economic impact of greater than \$500,000 on regulated entities.

The proposed rule's overall effect upon Indiana taxpayers is to ensure that Indiana meets the stricter federal TANF work participation requirements set forth by Health and Human Services (HHS). Failure to meet the work rate will result in a loss of millions of dollars from the TANF Block Grant, which the state will be obligated to make up with state funds.

Consequently, there is no economic impact of greater than \$500,000 on regulated entities.

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses:**

IC 4-22-2.1-5(a) provides that an agency that intends to adopt a rule under IC 4-22-2 that will impose requirements or costs on small businesses must prepare a statement that describes the annual economic impact of the rule on small businesses after the rule is fully implemented as described in IC 4-22-2.1-5(b). That statement must be submitted to the Indiana Economic Development Corporation (IEDC). The IEDC is required to review the rule and submit written comments to the agency not later than seven days before the public hearing.

The Indiana Family and Social Services Administration estimates that the proposed rule will impose no requirements or costs on small businesses.

**Estimated Number of Small Businesses Affected:**

There are no small businesses, as defined in IC 4-22-2.1-4, that will be subject to the proposed rule.

**Estimated Administrative Costs Imposed on Small Businesses:**

Because there are no small businesses subject to the rule, there are no administrative costs imposed.

**Estimated Total Annual Economic Impact on Small Businesses:**

The FSSA estimates that there will be no economic impact on small businesses as defined in IC 4-22-2.1-4.

**Justification of Requirements or Costs:**

The FSSA offers no justification of requirements or costs as the proposed rule imposes no requirements or costs on small businesses.

**Regulatory Flexibility Analysis:**

The FSSA does not propose an alternative regulatory method since the proposed rule has no impact on small businesses.

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