

April 4th and 5th, 2023

Mid-Legislative Session Update Q&A

Q: Is there any update on extended RGAP 18-21?

A: It authorizes continuing GAP payments to continue for youth up to 21 if they meet the other qualifications in statute regardless of the age they guardianship was established. The guardianship will no longer need to be established at age 16-17 to qualify for extended payments

Q: Is there still a chance for the two bodies to reconcile budgets and keep something alive?

A: Yes, exactly. The House and the Senate introduce their proposed budgets off their respective floor and then they go into what's called conference. Over the next 2 to 3 weeks budget negotiators and budget writers are conferencing on the budget. By the end of April, a couple of days before session ends, a conference budget will come out that has agreement and that will be the final budget.

Q: When would the new 85 percentile rate be effective if a bill is passed?

A: There is no bill necessary for the 85th percentile. The Fair Start for Kids Act states that the legislature would fund rates at the 85th percentile. That is still law and that rate increase would be effective July 1st.

Q: Might there be an additional proposed increase in the House budget for a one-time only \$2.438M for ESIT for a flat rate for FY24 and FY25?

There are two separate one-time increases to ESIT rates in the House budget. First, the House budget provides \$4.058M in funding to match the ESIT rates in FY24 and FY25 to the House's increased K12 basic education allocation rates in FY24 and FY25. Second, \$2.438M in funding is provided in FY24 to match the FY24 ESIT rate to the projected FY25 ESIT rate.

Q: Can you provide more information regarding the one-time only possible ESIT increase?

See above.

Q: Do you have the chart showing current rate and new 85 percentile rate on DCYF website? Could you please provide a link?

A: I don't believe it is on the website yet but it certainly will as we get closer to launch.

Q: What's the allocation for the Capital Gains? How do we track we're the funds are going? Can you touch on next steps for funding now that the Supreme Court upheld the capital gains tax? Will there be opportunities for community members to weigh in on how the funds are used? With this revenue stream, is it possible to fund budget asks that we're denied this session later or will those asks have to wait until the 24-25 session?

A: The capital gains tax is already assumed in our budget. It's already assumed as a revenue source. To further clarify it is a 7% tax on the sale of financial assets and stocks and bonds. It does not apply to real estate and is not a property tax. Therefore, we will be watching the revenue forecast to see if that capital gains tax is increasing or decreasing, and therefore what is the impact on our programs.

Q: Is there a specific rate structure for the new caregiver support levels - when will it be released?

A: It will be dependent on which approach is taken in the Conference budget and the enacted budget. That was an area where the House and the Senate were not in entire alignment so we are waiting to see.