

OFFICE OF FISCAL ANALYSIS

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sHB-6941

AN ACT EXEMPTING THE INCOME EARNED BY A CHILD OF AN APPLICANT FROM THE CALCULATION OF GROSS INCOME IN CONSIDERATION FOR PARTICIPATION IN THE RENTAL ASSISTANCE PROGRAM.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Department of Housing	GF - Cost	2,000,000	2,000,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which excludes certain income earned by children under age 24 from the eligibility determination for the Rental Assistance Program (RAP), results in an estimated annual cost of approximately \$2 million to the Department of Housing (DOH).

There are at least 627 household members between the ages of 18-24 in households that receive RAP certificates.¹ The average annual income for an individual living in a household that receives a RAP certificate is \$7,657.

Households who currently receive RAP certificates pay 40% of their total income towards their rent and utilities. The RAP certificate covers the rest of the rent; therefore, any decrease in certificate holder income results in an increase in cost to DOH. If each household member

¹ All earned income from children and foster children under age 18 is currently excluded.

between the ages of 18-24 earns the average annual income of a RAP household member, then their portion of rent will decrease by about \$3,063 annually which will result in a cost of approximately \$2 million annually to DOH.²

DOH does not remove households from the RAP program unless the household is no longer eligible. However, changes in eligibility and associated changes to the average RAP certificate cost may impact how many certificates can be issued in the future.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to actual income received by RAP certificate holders and their ongoing eligibility for RAP.

² Under current policy, earned income from full-time students after the first \$480 is excluded. There are at least 162 household members who have full-time student status in households that receive RAP certificates that are under age 24. These household members are spread between approximately 155 households.