

Department of Planning and Budget

2002 Fiscal Impact Statement

1. Bill Number HB42

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Hamilton, P.

3. Committee Appropriations

4. Title Social services; auxiliary grants program.

5. Summary/Purpose:

HB42 eliminates the local funding for the Auxiliary Grants (AG) Program. The state would have to assume the portion of funds previously provided by local departments of social services. The removal of the requirement for local funding is intended to eliminate the disproportionate impact of the AG program on certain localities. The "home" locality of the AG recipient is responsible for the 20 percent local match amount. The "home" locality is the locality in which the person last resided outside of an institution. In some cases, people move to another locality due to the limited number of assisted living facilities available where they live. The locality they move into is then required to provide the 20 percent match. For a number of grant recipients, especially those who have been released from state mental health facilities, the "home" locality becomes the locality in which the person resides upon release.

6. Fiscal Impact Estimates are final. See Item 8.

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2002-03	\$5,009,021	0.0	GF
2003-04	\$5,009,021	0.0	GF

7. Budget amendment necessary: Yes. Item 357, subprogram 46103 – Supplemental Income Assistance to the Aged, Blind, and Disabled

8. Fiscal implications:

An Auxiliary Grant is a supplement to income for recipients of Supplemental Security Income (SSI) and certain other aged, blind, or disabled individuals residing in a licensed Assisted Living Facility (ALF) or in Adult Family Care (AFC). Its purpose is to provide supplemental income for an SSI recipient or an adult who would be eligible for SSI except for excess income, who resides in an ALF or AFC. The maximum rate is determined by the Virginia General Assembly and is adjusted periodically. The current maximum AG rate is \$833 with a 15% differential in Planning District Eight. Individuals receiving an AG also receive a personal needs allowance which is currently \$62 per month.

Federal law requires that states maintain or increase their spending of Auxiliary Grants. This is known as the federal Maintenance of Effort (MOE) requirement.

This bill proposes to shift the 20% portion of the AG (Auxiliary Grant) currently being paid by local departments of social services to the Virginia Department of Social Services. This will increase the Commonwealth's benefit payment obligation for all AG payments from 80% to 100%. Because of the MOE requirement, it is not possible to reduce total spending.

Based on the amounts appropriated in the Governor's proposed budget for FY 2003 and FY 2004, \$5,009,021 (GF) would be required each year to eliminate the local match.

9. Specific agency or political subdivisions affected:
Virginia Department of Social Services
Local department of social services

10. Technical amendment necessary: None

11. Other comments: None

Date: 01/11/02/jlr

Document: G:\Fis2002\Dss\Hb42.Doc Jeff Ryan

cc: Secretary of Health and Human Resources