

Commission on Local Government

Estimate of Local Fiscal Impact
2012 General Assembly Session

Bill: HB 249

Patron: Cline

Date: January 18, 2012

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

I. Bill Summary

Requires local departments of social services to screen each VIEW program participant to determine whether probable cause exists to believe the participant is engaged in the use of illegal drugs. The bill provides that when a screening indicates reasonable cause to believe a participant is using illegal drugs, the Department shall require a formal substance abuse assessment of the participant, which may include drug testing. Any person who fails or refuses to participate in a screening or assessment without good cause or who tests positive for the use of illegal drugs shall be ineligible to receive TANF payments for a period of one year.

II. Fiscal Impact Analysis

The Commission on Local Government (CLG) received fiscal impact statements from 21 localities – the Counties of Arlington, Augusta, Campbell, Chesterfield, Carroll, Fairfax, Henrico, Prince William, Rappahannock, Spotsylvania, Stafford and York; the Cities of Chesapeake, Danville, Lynchburg, Richmond, Virginia Beach and Winchester; and the Towns of Blacksburg, Christiansburg, Hillsville.

Four of the responding localities – the City of Virginia Beach; and the Towns of Blacksburg, Christiansburg, and Hillsville – indicated that they would not experience any new additional costs as a result of the legislation. The City of Virginia Beach indicated that they currently perform drug screening on View clients but emphasized that positive results do not result in TANF ineligibility. The three towns noted that the bill does not apply to them.

Five localities – the Counties of Campbell, Carroll, Rappahannock, and Spotsylvania; and the City of Winchester – indicated that they would experience net additional expenditures of less than \$5,000. Campbell County assumed that the cost of a screening would be paid by the participant instead of the locality.

The remaining twelve localities reported that HB 249 would add net expenditures of \$5,000 or more. The responses ranged from a low of \$9,455 in York County to a high of \$455,000 in the City of Richmond. Listed below are the cost estimates:

Arlington County:	\$67,425
Augusta County:	25,640-67,305
Chesterfield County:	38,365-68,365
Fairfax County:	no estimate reported
Henrico County:	40,800
Prince William County:	21,812-73,682
Stafford County:	36,400
York County:	9,455
Chesapeake City	unknown
Danville City:	12,840
Lynchburg City:	82,085
Richmond City:	455,000

In general, cost estimates provided were a function of the cost of a screening and the number of anticipated screenings.

The Counties of Augusta, Chesterfield, and Prince William indicated a range of potential costs based upon variable rates for drug screenings.

The Counties of Arlington, Augusta, Chesterfield, and Stafford; and the City of Lynchburg all expressed concern regarding the effects of delays in distributing payments to families in need.

Arlington County stated that their cost estimates do not include the cost of providing substance abuse treatment. They also indicated that a similar law in Florida was declared unconstitutional by a federal judge.

Augusta County remarked that testing individuals delays benefits for families in need. In addition, if a participant is unable to pay the cost of treatment, benefits will not be received and families could be at increased risk. In addition, they state that the VIEW program utilizes set program components and a set number of days in each component to determine compliance. They further indicated that losing participation due to a delay because of drug testing could cost the locality and the state millions of dollars in funding.

Fairfax County did not produce a cost estimate, but instead referred to the state of Florida's attempt to administer a similar program, which would cost approximately \$210,000 per month.

The City of Chesapeake stated that they would need to hire additional staff to comply with the legislation and the salary and benefits would be at least \$55,000 per person. They also expressed concern about participants in VIEW being singled out for substance abuse when the practice is not used in other public assistance programs.

The City of Lynchburg indicated that the bill would require the hiring of two additional employment services workers to assist with drug screenings. Lynchburg

would rather not place staff in the impossible and subjective position of determining probable cause.

The City of Richmond stated that they would need to increase their workforce by a minimum of eight additional positions.

III. Conclusion

The impact of HB 249 will vary significantly by locality. Costs of the individual screenings and drug use per capita in a locality are among the variables that will influence the local fiscal impact of this legislation.