

## Department of Planning and Budget 2012 Fiscal Impact Statement

**1. Bill Number:** SB 552

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

**2. Patron:** Favola, Barbara A.

**3. Committee:** Finance

**4. Title:** Eligibility for TANF; drug-related felonies

**5. Summary:** The substitute proposal provides that a person who is otherwise eligible to receive Temporary Assistance for Needy Families (TANF) assistance shall not be denied assistance solely because he has been convicted of a felony offense for the possession of a controlled substance provided he complies with all obligations imposed by the court, has completed substance abuse treatment, and participates in drug screenings conducted at least once every three months.

**6. Budget Amendment Necessary:** Yes

**7. Fiscal Impact Estimates:** Preliminary

**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2012	-	-	-
2013	\$114,246	-	General Fund
2014	\$213,048	-	General Fund
2015	\$213,048	-	General Fund
2016	\$213,048	-	General Fund
2017	\$213,048	-	General Fund
2018	\$213,048	-	General Fund

**8. Fiscal Implications:** This bill will expand the service population for TANF to include applicants previously ineligible due to a controlled substance felony conviction. Adding these individuals to the TANF population will increase the TANF program's cost by approximately \$114,246 the first year and \$213,048 each year thereafter. Moreover, the TANF block grant is fully allocated in the introduced budget; therefore it is assumed that additional general fund will be required to fund this legislation.

*Benefits Impact:* In FY 2011, 453 individuals were deemed ineligible for TANF due to either identifying themselves as: a drug felon, violating parole or fleeing a felony. The department does not have more specific information as to which of these categories each individual fell. However, it is assumed that most of the individuals in this population are associated with drug felony convictions. Therefore, it is further assumed that two-thirds of the exclusions are

related to the identification of a felony drug conviction. As such, about 299 (453\*66 percent) individuals who were previously ineligible for TANF due to a felony possession of a controlled substance conviction would become eligible for TANF benefits as a result of this bill. It is also assumed that approximately ten percent of these individuals would be deemed ineligible for TANF benefits due to failure to participate in the required quarterly drug screenings. Assuming the remaining 269 (299 x .90) individuals applied for and received TANF and the average increase in the assistance payment is \$66 per month for an additional person, it would cost the department \$213,048 (269 x \$66 x 12 months) annually to provide TANF assistance to this population. A gradual increase in the caseload is assumed in the first year at a cost of \$114,246. This fiscal impact estimate assumes that most of the individuals being added to the TANF caseload currently have active cases for their children and are participating in Virginia Initiative for Employment not Welfare (VIEW); however, their needs have been omitted from the grant because of their drug possession conviction. As a result, there will be minimal costs associated with increased child care.

*Administrative Impact:* This bill would require local workers to determine and monitor client compliance by performing a drug screening at least once every three months. This would translate into at least 1,076 new screenings each year (269 individuals x 4 screenings annually). Assuming each drug screening takes approximately 30 minutes, local department staff would be required to provide 538 additional work hours each year. Using the average productive hours per worker of 1,500 hours, the equivalent of less than one additional position would be needed. Therefore, the time and cost involved with implementation of this legislation would be minimal.

**9. Specific Agency or Political Subdivisions Affected:** Department of Social Services

**10. Technical Amendment Necessary:** No

**11. Other Comments:** This bill is similar to HB 420.

**Date:** 2/6/12

**Document:** G:\2012 Fiscal Year\Efis\SB552s1.doc