

Commission on Local Government

Estimate of Local Fiscal Impact
2014 General Assembly Session

Bill: HB 894 **Patron:** Peace **Date:** January 21, 2014

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

HB 894 expands eligibility for the auxiliary grant program to include individuals who reside in supportive housing licensed by the Department of Behavioral Health and Developmental Services, and directs the Commissioner for Aging and Rehabilitative Services to promulgate regulations for licensure of auxiliary grant service coordination providers for individuals with blindness or physical disabilities and the State Board of Behavioral Health and Developmental Services to promulgate regulations for licensure of auxiliary grant service coordination providers for individuals with mental illness or intellectual disabilities.

II. Fiscal Impact Analysis

The Commission on Local Government (CLG) received fiscal impact statements from 14 localities – the Counties of Augusta, Campbell, Henrico, Rappahannock, and Spotsylvania; the Cities of Alexandria, Danville, Lynchburg, Poquoson, Roanoke, and Virginia Beach; and the Towns of Marion, Rocky Mount, and Strasburg.

Five of the responding localities – the County of Spotsylvania; the City of Danville; and the Towns of Marion, Rocky Mount, and Strasburg – reported that they would not experience a net increase in expenditures.

Spotsylvania County noted that they would not experience a local fiscal impact unless the General Assembly increases the capacity of the program.

One of the responding localities – the County of Rappahannock – indicated that they would experience an expenditure increase of less than \$5,000.

The remaining eight respondents – the Counties of Augusta, Campbell, and Henrico, and the Cities of Alexandria, Lynchburg, Poquoson, Roanoke, and Virginia Beach – reported that they would experience an expenditure increase of over \$5,000. The estimates ranged from \$11,640 per year in Campbell County to \$210,928 per year in the City of Lynchburg. Listed below are the expenditure estimates:

Augusta County:	unknown
Campbell County:	\$11,640
Henrico County:	40,824
Alexandria City:	unknown
Lynchburg City:	210,928
Poquoson City:	14,484
Roanoke City:	49,474
Virginia Beach City:	31,104

Campbell County noted that in the first year after enacted, HB 894 will not likely have a fiscal impact because of the time required to develop new regulations and processes. Fiscal impact would begin after processes have been put into place.

Henrico County based its estimate upon a projection of 35 individuals in the program.

The City of Lynchburg based their estimate upon an assumption of 200 auxiliary grant cases projected at \$400 a month. Their estimate also included a part-time position. They highlighted a possibility of increased staffing costs related to the determination of eligibility for the program.

The City of Poquoson noted that their estimate is based upon the city only having one eligible recipient at the present time. They note that if more become eligible, their costs will increase.

The City of Roanoke provided an estimate based upon 44 individuals living in supportive housing.

The City of Virginia Beach based its estimate upon an additional 24 payments due to the expansion of eligibility for the auxiliary grant program.

III. Conclusion

According to the Virginia Department of Social Services, an auxiliary grant is “a supplement to income for recipients of Supplemental Security Income and certain other aged, blind, or disabled individuals residing in a licensed assisted living facility or an approved adult foster care home.” Its purpose is to ensure that eligible recipients can meet a basic level of need. Local departments of social services assess whether an individual can be admitted into an assisted living facility or adult foster care home.

Auxiliary grant programs are funded 80% by the state and 20% by localities. HB 894 seeks to expand the eligibility for auxiliary grants to include individuals who live in supportive housing provided by the Department of Behavioral Health and Developmental Services. Any increases in the eligibility for auxiliary grant programs will increase gross payments by localities for funding. Additionally, if eligibility is determined at the local level, then there will be an additional cost for program administration.