

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB696

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

2. Patron: Poindexter

3. Committee: Health, Welfare and Institutions

4. Title: Eligibility for food stamp program; work requirement; employment and training program.

5. Summary: Establishes a work requirement and an employment and training program for individuals receiving or applying to receive benefits through the food stamp program.

6. Budget Amendment Necessary: Yes.

7. Fiscal Impact Estimates:

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	-	-	-
2019	\$3,462,448	1	General
2019	\$4,963,959	1	Nongeneral
2020	\$3,439,948	1	General
2020	\$4,941,459	1	Nongeneral
2021	\$3,439,948	1	General
2021	\$4,941,459	1	Nongeneral
2022	\$3,439,948	1	General
2022	\$4,941,459	1	Nongeneral
2023	\$3,439,948	1	General
2023	\$4,941,459	1	Nongeneral
2024	\$3,439,948	1	General
2024	\$4,941,459	1	Nongeneral

* There will be a total local match of \$1,501,511 (\$377,074 for participant costs + \$1,124,437 for local staff) in FY 2019 and each year thereafter.

8. Fiscal Implications: This legislation will introduce additional costs to the Department of Social Services (DSS) due to the proposed changes to Virginia Supplemental Nutrition Assistance Program (SNAP) eligibility requirements and due to the condition of statewide

participation in the Supplemental Nutrition Assistance Program Employment and Training program (SNAP E&T) which provides education and training services to SNAP recipients. This bill will require information systems changes and increases in state and local departments of social services (LDSS) staffing.

SNAP Employment and Training Program Expansion

Currently SNAP E&T is voluntary and only available in 24 of 120 LDSS. Requiring participation would expand program availability to all agencies, expand support services for those in the program, and require an increase in staff for DSS, as well as the local departments of social services.

Due to the increase in the number of localities required to participate under this bill, DSS would need two additional staff, estimated to cost \$195,750 (including salary, benefits and nonpersonal services) to monitor and provide program assistance. The funding splits for these positions are 50 percent general fund and 50 percent nongeneral funds. Additionally, if every locality now participates in the program, then each locality would need the equivalent of one staff person to implement and work the program. Since 96 (120 localities - 24 participating localities) local departments currently do not participate in SNAP E&T, 96 additional local staff would be needed at an average cost of \$75,567 per local worker or \$7,254,432 (96 x \$75,567) in total, split 34.5 percent general fund (\$2.5 million), 50 percent federal funds (\$3.6 million), and 15.5 percent local funds (\$1.1 million). SNAP E&T also includes participant costs averaging \$20,909 per locality for transportation and \$4,432 per locality for dependent care for a total expense of \$2,432,736 (96 x [\$20,909+\$4,432]). The participant costs are split 34.5 percent general fund (\$839,294), 50 percent federal funds (\$1.2 million), and 15.5 percent local funds (\$377,075). The total cost to expand the SNAP E&T program state wide is \$9.9 million (\$3.4 million general fund, \$4.9 million nongeneral funds, and \$1.5 million local funds).

Eligibility Determination Systems Changes

This legislation proposes that no physically and mentally fit individual over 15 years of age or under 60 years of age shall be eligible to participate in the supplemental nutrition assistance program if the individual does not meet specifically defined criteria. The wording “over 15 years” varies from federal legislation which states “16 years or over.” The Virginia Case Management System (VaCMS) is currently programmed to determine eligibility based on the federal regulations; therefore, the change in age from 16 years to over 15 years will require system changes to VaCMS, as “over 15 years” can be interpreted as the age of anyone who has passed his fifteenth birthday. The current vendor contract requires the use of contractors for all VaCMS coding, and it is estimated that two additional contractors will be needed for a total cost of \$25,000 (2 contractors x \$250 per hour x 50 hours) to make the necessary changes to the system. In addition, three contractors working for DSS will be needed to perform testing prior to the system deployment. The contractors will cost \$20,000 (2 contractors x \$100 per hour x 100 hours). Therefore, to facilitate the systems changes to VaCMS pursuant to this legislation, total funding of \$45,000 (\$25,000 + \$20,000) is needed in FY 2019 only. These costs will be split 50 percent general fund (\$22,500) and 50 percent nongeneral funds (\$22,500).

Cost Summary

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Eligibility Determination	Total	Federal	General	Local
VaCMS	\$45,000	\$22,500	\$22,500	\$0
Total	\$45,000	\$22,500	\$22,500	\$0
SNAP E&T Expansion				
State Staff	\$195,750	\$97,875	\$97,875	\$0
Participant Costs	\$2,432,736	\$1,216,368	\$839,294	\$377,074
Local Staff	\$7,254,432	\$3,627,216	\$2,502,779	\$1,124,437
Total	\$9,882,918	\$4,941,459	\$3,439,948	\$1,501,511
Total Costs	\$9,927,918	\$4,963,959	\$3,462,448	\$1,501,511

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SNAP E&T Expansion	Total	Federal	General	Local
State Staff	\$195,750	\$97,875	\$97,875	\$0
Participant Costs	\$2,432,736	\$1,216,368	\$839,294	\$377,074
Local Staff	\$7,254,432	\$3,627,216	\$2,502,779	\$1,124,437
Total Costs	\$9,882,918	\$4,941,459	\$3,439,948	\$1,501,511

9. Specific Agency or Political Subdivisions Affected: Department of Social Services, local departments of social services

10. Technical Amendment Necessary: No.

11. Other Comments: None.