

Department of Planning and Budget 2019 Fiscal Impact Statement

1. **Bill Number:** SB1129-ES1

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. **Patron:** Locke

3. **Committee:** Rehabilitation and Social Services

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

5. **Summary:** Provides that a person who is otherwise eligible to receive food stamp benefits or Temporary Assistance for Needy Families (TANF) shall not be denied such assistance solely because he has been convicted of a drug-related felony, provided that such person is complying with, or has already complied with, all obligations imposed by the criminal court, is actively engaged in or has completed a substance abuse treatment program, participates in periodic drug screenings, and fulfills any other obligations as determined by the Department of Social Services.

An enactment clause prevents provisions of this bill from becoming effective unless appropriation for the purposes of this bill is included in the 2019 Appropriation Act, as passed by the General Assembly, and becomes law.

6. **Budget Amendment Necessary:** Yes.

7. **Fiscal Impact Estimates:** Estimates are preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2019	-	-
2020	\$111,546	General
	\$262,029	nongeneral
2021	\$76,546	General
	\$209,529	nongeneral
2022	\$76,546	General
	\$209,529	nongeneral
2023	\$76,546	General
	\$209,529	nongeneral
2024	\$76,546	General
	\$209,529	nongeneral
2025	\$76,546	General
	\$209,529	nongeneral

*A \$34,390 annual local match is required as a result of this legislation.

- 8. Fiscal Implications:** This legislation would allow a person convicted of a drug-related felony to receive food stamp and/or TANF benefits, as long as they are otherwise eligible, and removes the requirements to address criminal court obligations and participate in substance abuse treatments and drug screenings, along with other obligations as determined by the Department of Social Services.

SNAP

Department of Social Services' Supplemental Nutrition Assistance Program (SNAP) data shows that 107,564 applicants were denied SNAP benefits in 2018. Of these denials, 4,271 applicants were denied in some part because of drug related charges. Furthermore, 3,590 of those cases denied because of drug related charges were for individuals who resided in a SNAP household; meaning that one or more of their family members received SNAP benefits. Additionally, 681 individuals (4,271 – 3,590) were denied and did not reside in a SNAP household, which means that these individuals would become new SNAP cases, if they become eligible under this legislation.

While the number of individuals who would be deemed ineligible due to a reason other than a felony drug conviction is unknown, it is estimated that 15 percent of the 4,271 applicants denied in some part because of drug related charges, would still be denied benefits because of some other disqualifying factor. Therefore, under this legislation, 3,052 (3,590 x 85%) individuals who reside in a SNAP household and had previously been denied, can be absorbed into the current SNAP case in that household. Of the remaining 681 individuals who were denied benefits in part because of drug-related charges, 579 (681 x 85%) persons would become SNAP recipients, each with a new SNAP case.

Based on Random Moment Sampling statistics, the full-time equivalent of 1,581 local department of social services (LDSS) SNAP workers handle an average of 224 cases each. With the addition of 579 new cases, an estimated 3 additional full-time equivalent (FTE) case workers across the 120 LDSS would be needed (579 cases/224 cases per worker). The cost for 3 additional FTEs, including salary, benefits, and operating costs is \$221,873 annually. Those staffing costs are funded through 34.5 percent general fund (\$76,546), 50 percent federal funds (\$110,937), and a 15.5 percent local match (\$34,390).

TANF

In addition, the substitute bill expands the service population for Temporary Assistance for Needy Families (TANF) to include applicants previously ineligible due to a drug related felony conviction. In FY 2018, 104 individuals were deemed ineligible for TANF due to felony drug convictions. The average increase in the TANF assistance payment is \$79 per month for an additional person. Therefore, the net increase in TANF benefits for this newly eligible population would be \$98,592 (104 x 12 x \$79). Based on the introduced budget, the TANF block grant is expected to have balances in FY 2020 that are sufficient to cover the TANF-related cost of this legislation. While a TANF surplus may be available in future years, this balance cannot be assumed. Moreover, it should be noted that this statement estimates the fiscal impact of this bill versus the introduced budget; it does not account for other legislative proposals that impact TANF funds. To the extent that the obligations created

by this bill (and others) exceed the pool of available TANF funds, general fund appropriation would be necessary to fulfill these requirements.

This 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. Furthermore, the projected TANF caseload increase is small enough that the administrative costs related to the TANF portion of this legislation can be absorbed within the current appropriation.

It is also assumed that, as with the current SNAP recipients who must attest to their compliance with substance abuse treatment, periodic drug screenings, and any other obligations as stated in the Code of Virginia, the new TANF recipients will also attest to their compliance with such requirements. Therefore, the agency will not be responsible for the cost or monitoring of this compliance.

Information systems

In addition, one-time costs of \$87,500 (\$35,000 general fund and \$52,500 federal funds) in FY 2020 will be necessary for modifications to the Virginia Case Management System (VaCMS) for the eligibility rule changes.

The total cost of this legislation is estimated at \$407,965 in FY 2020 and \$320,465 each year thereafter, including an annual local match of \$34,390.

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.