

Department of Planning and Budget

2020 Fiscal Impact Statement

1. Bill Number: HB566-ER

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

2. Patron: Guzman

3. Committee: Passed Both Houses

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

5. Summary: Provides that a person who is otherwise eligible to receive food stamp benefits shall not be denied such assistance solely because he has been convicted of a drug-related felony. Under current law, such individuals may not be denied food stamp benefits based on a felony conviction of possession of a controlled substance in violation of § 18.2-250, 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 meets any other obligations as determined by the Department of Social Services. The bill also provides that a person who is otherwise eligible to receive TANF benefits shall not be denied such assistance solely because he has been convicted of a felony offense of possession of a controlled substance in violation of § 18.2-250.

6. Budget Amendment Necessary: Yes. Funding is included in the Governor's introduced budget for the TANF portion of this legislation; however, a budget amendment is necessary for the portion of the bill related to SNAP.

7. Fiscal Impact Estimates:

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2020	-	-
2021	\$176,267 \$306,532	General fund Nongeneral funds
2022	\$132,361 \$290,420	General fund Nongeneral funds
2023	\$132,361 \$290,420	General fund Nongeneral funds
2024	\$132,361 \$290,420	General fund Nongeneral funds
2025	\$132,361 \$290,420	General fund Nongeneral funds
2026	\$132,361 \$290,420	General fund Nongeneral funds

*There is a local match for this legislation \$63,468 in FY 2021 and \$59,467 in FY 2022 and each year thereafter.

8. Fiscal Implications:

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)

Currently, under the Code of Virginia, a person convicted of a drug felony may only receive Supplemental Nutrition Assistance (SNAP) benefits if they comply with all criminal court obligations, participate in substance abuse treatments and drug screenings, and meet other obligations as determined by the Department of Social Services (DSS). This legislation would allow a person convicted of a drug-related felony to receive SNAP benefits without meeting the before mentioned conditions, as long as they are otherwise determined eligible.

In 2019, there were 1,891 SNAP cases terminated or denied due to felony drug convictions. Therefore, it is likely that 1,891 applicants would no longer be denied SNAP benefits as a result of this legislation. However for the purposes of this analysis, it is assumed that only half of the applicants, or 946 people would participate in the SNAP program for longer than a year. It is assumed that the other half would either become ineligible for SNAP because they no longer meet other SNAP eligibility criteria or would choose to leave the SNAP program within the first year for other reasons and would not need on-going case management or redetermination services provided by the local departments of social services (LDSS).

Based on Random Moment Sampling statistics, there are approximately 1,626 LDSS SNAP workers, who handle an average of 209 cases each. With the addition of 946 new cases, an estimated 5 additional full-time equivalent (FTE) case workers would be needed (946 cases/209 cases per worker). The estimated cost for five additional FTEs is \$409,471 in FY 2021 and \$383,656 in FY 2022 and each year thereafter. These costs include salary, benefits, and operating costs. On-boarding costs are included in the first year amount. Local FTE costs are split 34.5 percent general fund, 50 percent nongeneral funds, and 15.5 percent local match. Therefore, FY 2021 costs are estimated to be \$141,267 general fund, \$204,736 nongeneral funds, and \$63,468 local funds. The costs beginning in FY 2022 are estimated to be \$132,361 general fund, \$191,828 nongeneral funds, and \$59,467 local funds.

In addition, one-time costs of \$87,500 (\$35,000 general fund and \$52,500 nongeneral funds) in FY 2021 will be necessary for modifications to the Virginia Case Management System (VaCMS) to update eligibility rule changes.

The total estimated cost of the SNAP component of this legislation is \$496,971 in FY 2021 and \$383,656 in FY 2022 and each year thereafter, including local match of \$63,468 in FY 2021 and \$59,467 in FY 2022 and each year thereafter.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

This legislation expands the service population for Temporary Assistance for Needy Families (TANF) to include applicants previously ineligible due to possession or distribution of a controlled substance 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, assuming a similar annual caseload going forward, the net increase in TANF benefits for this newly eligible population

would be \$98,592 ($104 \times 12 \times \79). A gradual increase in caseload is assumed in the first year at a cost of \$49,296.

The 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 Education and Work (VIEW); however, their needs have been omitted from the grant because of their drug conviction. As a result, there will be minimal costs associated with increases child care.

The total estimated cost of this legislation is \$546,267 (\$496,971 SNAP + \$49,296 TANF) in FY 2021 and \$482,248 (\$383,656 SNAP + \$98,592 TANF) in FY 2022 and each year thereafter.

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.