

Department of Planning and Budget 2021 Fiscal Impact Statement

1. Bill Number: HB1820

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

2. Patron: Helmer

3. Committee: Health, Welfare and Institutions

4. Title: Temporary Assistance for Needy Families; food stamp program; eligibility; postsecondary education.

5. Summary: Allows Temporary Assistance for Needy Families (TANF) and food stamp recipients, to the extent permitted by federal law and regulations, to satisfy or earn exemption from applicable work and training requirements through enrollment in postsecondary education. The bill directs the Department of Social Services to utilize certain strategies to promote such postsecondary education opportunities and streamline the process for certifying compliance therewith. The bill also directs the Board of Social Services, in implementing the Commonwealth's food stamp program, to (i) establish broad-based categorical eligibility, (ii) set the gross income eligibility standard at 200 percent of the federal poverty guidelines, and (iii) not impose an asset limit.

6. Budget Amendment Necessary: Funding is included in the Governor's introduced budget to establish broad-based categorical eligibility for SNAP applicants. However, a budget amendment is necessary for system modifications for TANF post-education eligibility (\$150,000 NGF in FY21).

7. Fiscal Impact Estimates:

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021	\$150,000	-	Nongeneral
2022	\$281,292	-	General
	\$342,558	-	Nongeneral
2023	\$887,457	-	General
	\$1,268,264	-	Nongeneral
2024	\$887,457	-	General
	\$1,268,264	-	Nongeneral
2025	\$887,457	-	General
	\$1,268,264	-	Nongeneral
2026	\$887,457	-	General
	\$1,268,264	-	Nongeneral
2027	\$887,457	-	General
	\$1,268,264	-	Nongeneral

***A local match of \$57,470 in FY 2022 and \$373,216 in FY 2023 and thereafter is also required.**

8. Fiscal Implications:

Temporary Assistance for Needy Families (TANF)

Currently, TANF recipients must participate in the Virginia Initiative for Education and Work (VIEW) program unless exempt under one of the following: (i) caring for a child under one, (ii) medical condition that prevents participation, (iii) under the age of 16 or over the age of 60, or (iv) caring for an incapacitated household member. VIEW participants must engage in employment and training activities. Although post-secondary educational activities are not specifically mentioned, they would be included under §63.2-608(D)(5), which allows participation in “any other allowable TANF work activity as defined by federal law.” Therefore, under the VIEW program, post-secondary activities are already allowed.

VIEW participants also receive case management as well as supportive services, such as child care and transportation. By providing an exemption from the VIEW program to individuals for post-secondary education, the individual would not be eligible for case management and other supportive services, other than child care as outlined in this legislation. As a result of this legislation individuals starting in the VIEW program would become exempt if assigned post-secondary activities. There is a 24-month time limit on receiving TANF benefits that applies to individuals in the VIEW program. By providing an exemption for post-secondary educational activities, these individuals would not be subject to the 24-month time limit. There are minimal costs associated with the elimination of the time limit for the cases, which can be absorbed within current appropriation. This legislation will cause no increase in caseload or affect local effort, as participants are already TANF clients.

System Modifications

An estimated one-time cost of \$150,000 in TANF funds in FY 2021 will be needed in order to make modifications to the Virginia Case Management System (VaCMS) to account for the TANF eligibility rule changes. Funding for these modifications is requested in FY 2021 in order to update the system before the new eligibility rules go into effect.

Supplemental Nutrition Assistance Program – Employment & Training (SNAPET)

Currently, SNAP recipients must participate in employment and training activities, if available in the locality. The SNAPET program is optional for local departments of social services and not mandated. There are 25 localities with SNAPET programs. This legislation directs the Department, to the extent permitted by federal law and regulations, to allow SNAP employment and training requirements to be satisfied through post-secondary education. It is the sole responsibility of the US Food and Nutrition Services (FNS) to designate and approve SNAPET providers. Based on data from the State Council of Higher Education for Virginia (SCHEV), there are an estimated 69 post-secondary institutions and 249 private institutions in Virginia, however, it is unknown how many individuals would qualify or how many additional localities would participate, as a result of this legislation. This legislation will cause no increase in caseload or affect local staff effort, as participants are already SNAP clients.

Broad Based Categorical Eligibility (BBCE)

Broad Based Categorical Eligibility (BBCE) is a state option, by which every household member receiving a Temporary Assistance for Needy Families (TANF) funded service is assumed to qualify for SNAP. To qualify for SNAP, an applicant's income must fall within 130 percent of the federal poverty limit (FPL) and the value of their assets must fall within \$2,250 (or \$3,500 for households with an elderly or disabled member). This legislation will increase the income limit to 200 percent FPL and eliminate the asset test, thereby extending SNAP benefits to some people with income or resources in excess of the current limits. SNAP benefits are 100 percent federally funded; therefore, an increase in funding is not required for SNAP benefits. However, additional funding is requested for the following costs: \$313,305 in FY 2022 and \$2,034,630 each year thereafter to fund additional local department of social services staff to provide eligibility redetermination and case management services for new SNAP applicants and clients; \$18,977 in FY 2022 and \$37,954 each year thereafter for state vendor services for postage, printing services and EBT card services; \$41,568 in FY22 and \$83,137 each year thereafter for modifications to the EBT contract for the additional caseload and a one-time cost of \$250,000 in FY 2022 for VaCMS modifications. These costs were included in the Governor's introduced budget.

While the \$250,000 in one-time costs in FY 2022 for modifying the VaCMS to account for SNAP program changes was included in the introduced budget bill (HB1800 / SB 1100), the \$150,000 in FY 2021 required by this bill to modify the VaCMS to account for TANF program changes is a separate provision and creates a nongeneral fund fiscal impact. DSS has indicated that no significant reduction in costs is likely to be achieved by combining these two reprogramming efforts, as they address different program modules of the VaCMS.

The total estimated state and federal costs of this legislation is \$150,000 (NGF) in FY 2021; \$623,850 (\$281,292 GF and \$342,558 NGF) in FY 2022 and \$2,155,721 (\$887,457 GF and \$1,268,264 NGF) in FY 2023 and each year thereafter. A 15.5 percent local match for local staffing will also be required at \$57,470 in FY 2022 and \$373,216 beginning in FY 2023.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.