

Department of Planning and Budget

2021 Fiscal Impact Statement

1. Bill Number: HB1820-H1

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: No. Funding is included in the Governor's introduced budget to establish broad-based categorical eligibility for SNAP applicants.

7. Fiscal Impact Estimates:

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021	-	-	-
2022	\$281,292 \$342,558	- -	General Nongeneral
2023	\$887,457 \$1,268,264	- -	General Nongeneral
2024	\$887,457 \$1,268,264	- -	General Nongeneral
2025	\$887,457 \$1,268,264	- -	General Nongeneral
2026	\$887,457 \$1,268,264	- -	General Nongeneral
2027	\$887,457 \$1,268,264	- -	General 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, post-secondary activities are already an allowable activity and the legislation codifies current practice. This legislation will not create an increase in caseload or affect local effort, since post-secondary education is already an allowable VIEW activity. Because the amendment does not create another VIEW exemption for those enrolled in post-secondary education, there is no need for the systems modifications described in the fiscal impact statement for the original bill.

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.

The total estimated state and federal costs of this legislation is \$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.