

## Department of Planning and Budget

### 2007 Fiscal Impact Statement

**1. Bill Number** SB 865

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

**2. Patron** Miller, Yvonne B.

**3. Committee** Rehabilitation and Social Services

**4. Title** Social services; time limit on receipt of TANF

**5. Summary/Purpose:** Allows the children of Virginia Initiative for Employment not Welfare (VIEW) participants to continue receiving Temporary Assistance for Needy Families (TANF) financial assistance beyond the initial 24-month period if (i) the VIEW-participating parent is no longer the children's legal guardian, (ii) another relative of the children now has legal custody, and (iii) the children otherwise meet the eligibility requirements set forth in §§ 63.2-602 through 63.2-607.

**6. Fiscal impact estimates are preliminary.**

**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2007	-	-	-
2008	\$178,308	-	General Fund
2009	\$507,492	-	General Fund
2010	\$507,492	-	General Fund
2011	\$507,492	-	General Fund
2012	\$507,492	-	General Fund
2013	\$507,492	-	General Fund

**7. Budget amendment necessary:** Yes, Item 334.

**8. Fiscal implications:** Currently, when a VIEW participant is in the 24-month period of ineligibility, the participant's child does not qualify for TANF assistance. This legislation would increase TANF assistance payments by allowing a child of a VIEW participant to continue receiving TANF financial assistance during the 24-month period if specific criteria are met. This change will increase TANF assistance payments \$178,308 general fund the first year and \$507,492 general fund each year thereafter. Note: General fund dollars indicated since the TANF grant has been fully allocated.

The Department of Social Services does not have adequate data to precisely estimate the population impacted by this legislation. However, the following methodology was used to project the number of children that would receive TANF payments and thereby determine a fiscal impact. When a family is receiving TANF, the child is eligible for Medicaid. If the

child is sent to live with a relative after the family reaches the 24-month period of ineligibility, the child's Medicaid case is closed then re-opened with a new number. The department does not track the number of TANF children whose relatives have legal custody; however, data is available on the number of new Medicaid cases for those children who are in the period of ineligibility. Therefore, to determine the increase in TANF assistance payments, the department compared the number of children in the 24-month period of ineligibility (10,825) to the number of those children who had a Medicaid case opened during the same 2 year period (319).

Based on this information, 319 children in the 24-month period of ineligibility were placed with another caretaker between November 2003 and November 2005 although no financial incentive was provided by the state. It is not known whether legal custody was transferred or just physical custody. For this analysis it is assumed that at least 319 children would be placed with a relative and legal custody would be transferred in order to continue receiving TANF financial assistance.

On average, there are 1.5 children per TANF case meaning there would be an increase of at least 9 (319/24/1.5) cases per month. Assuming a gradual increase in cases over a 24-month period, and a payment of \$254 per case, the increase in TANF assistance would be \$178,308 in the first year and \$507,492 each year thereafter.

#### Summary Table

<u>Year</u>	<u>Month</u>	<u>Cases</u>	<u>Payment based on Size of Assistance Unit</u>	<u>Additional Needed</u>
1	1	9	\$ 254	\$ 2,286
	2	18	254	4,572
	3	27	254	6,858
	4	36	254	9,144
	5	45	254	11,430
	6	54	254	13,716
	7	63	254	16,002
	8	72	254	18,288
	9	81	254	20,574
	10	90	254	22,860
	11	99	254	25,146
	12	108	254	27,432
		702		178,308
2	13	117	254	29,718
	14	126	254	32,004
	15	135	254	34,290
	16	144	254	36,576
	17	153	254	38,862
	18	162	254	41,148
	19	171	254	43,434
	20	180	254	45,720
	21	189	254	48,006
	22	198	254	50,292
	23	207	254	52,578
	24	216	254	54,864
		1,998		\$ 507,492

**9. Specific agency or political subdivisions affected:**

Department of Social Services

**10. Technical amendment necessary:** The bill summary indicates that this bill is contingent upon appropriation; however there is no such provision in this legislation.

**11. Other comments:** None

**Date:** 01/18/07

**Document:** G:\2007 Fiscal Year\2007 Ga Session\Efis 2007\Sb865.Doc

cc: Secretary of Health and Human Resources