

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** HB 276

House of Origin      X      Introduced                  Substitute                  Engrossed  
Second House                  In Committee              Substitute                  Enrolled

**2. Patron:**        Watts

**3. Committee:** Appropriations

**4. Title:**        Non-Cash Benefits for Five Months after TANF cash has been terminated

**5. Summary:** This bill requires the Department of Social Services to provide non-cash Temporary Assistance for Needy Families (TANF) benefits for a period of five months after TANF cash benefits have been terminated. Currently TANF clients who have participated in VIEW receive transitional benefits for 12 months.

**6. Fiscal Impact Estimates:** Preliminary

**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars*</i>	<i>Positions</i>	<i>Fund</i>
2008	-	-	-
2009	(\$3,803,333)	-	General
	(\$4,754,168)	-	Federal
2010	(\$3,803,333)	-	General
	(\$4,754,168)	-	Federal
2011	(\$3,803,333)	-	General
	(\$4,754,168)	-	Federal
2012	(\$3,803,333)	-	General
	(\$4,754,168)	-	Federal
2013	(\$3,803,333)	-	General
	(\$4,754,168)	-	Federal
2014	(\$3,803,333)	-	General
	(\$4,754,168)	-	Federal

\*Does not include the local match of (\$950,834).

**7. Budget Amendment Necessary:** Yes, Item 338

**8. Fiscal Implications:** As stated in the summary, if a participant is receiving TANF cash assistance and their period of eligibility ends, they may receive up to 12 months of non-cash transitional benefits (child care, transportation, case management, education and training). In FY 2007 the annual cost of non-cash traditional payments was approximately \$16,300,000. If this benefit were reduced to five months the cost would drop to \$6,791,665 (\$16,300,000/12 months \* five months). The difference in five months of non-cash benefits compared to twelve months would be \$9,508,335 (\$16,300,000 - \$6,791,665). It is assumed

that each dollar would be 50 percent federal, 40 percent state and 10 percent local (see item six).

It is unclear if the bill intends to extend child care benefits to TANF clients who were not eligible for child care while receiving TANF. For the purposes of this analysis, it is not assumed.

**9. Specific Agency or Political Subdivisions Affected:**

Department of Social Services

Local Departments of Social Services

**10. Technical Amendment Necessary:** TANF recipients exempt from VIEW are offered the opportunity to volunteer for VIEW when earned income is reported. This allows for the provision of one year of transitional benefits. The bill amends §63.2-505.1, transitional food stamp benefits. The section should be retitled, or the new provision should be added to a different section of the code.

**11. Other Comments:** None

**Date:** 1/18/2008

**Document:** G:\2008 Fiscal Year\08 Session\FIS\HB276.Doc

cc: Health and Human Resources