

## Department of Planning and Budget 2010 Fiscal Impact Statement

**1. Bill Number:** HB 80

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

**2. Patron:**        Englin, David L.

**3. Committee:** Health, Welfare and Institutions

**4. Title:**        Statewide Temporary Assistance for Needy Families Program Funding Pool;  
created

**5. Summary:** The proposed legislation requires the Department of Social Services to create and administer a Temporary Assistance for Needy Families (TANF) funding pool comprised of the TANF funds that are available for expanded TANF programs. The pool would receive up to 12 percent of the annual TANF block grant after all core TANF services (cash assistance, employment services, and child care) and transfers to other block grants have been allocated. Pool funds would be awarded to entities providing expanded TANF programming through a competitive grant process. The State Board of Social Services must adopt regulations establishing procedures for awarding pool funds that include long-range planning, citizen input, uniform oversight and evaluation criteria. The Department of Social Services is responsible for performing the subsequent administration, evaluation and monitoring of the award recipients. The bill also authorizes emergency regulations.

**6. Fiscal impact is preliminary (See Item 8)**

**7. Budget Amendment Necessary:** Yes. The Appropriation Act must be amended to account for the provisions of this legislation. Currently, the TANF appropriations for expanded programs are set out in budget language. If this language is not modified to conform with this bill, then the department will be legally required to provide the funding as outlined in the Appropriation Act. Moreover, language citing the pool should accompany the TANF appropriation that is included in the Act.

**8. Fiscal Implications:** The proposed legislation requires the Department of Social Services to allocate from 0 to 12 percent of the annual \$158 million Temporary Assistance for Needy Families (TANF) block grant (\$0 up to approximately \$19 million) to a TANF pool. The Code of Virginia does not define “expanded” TANF programs; therefore, it is assumed that all programs funded with TANF that are beyond basic cash assistance, employment services, child care, transfers to the Social Service Block Grant and Child Care Development Block Grant as well as state and local administrative and information technology costs which utilize TANF, constitute expanded TANF programs. In FY 2010, programs such as Healthy Families of Virginia, Centers for Employment and Training, and homeless assistance, which are funded with TANF, are examples of programs which would be considered expanded TANF programs under the provisions of this bill.

It is also assumed that all necessary Appropriation Act language is amended to account for the provisions of this legislation. Currently, the TANF appropriations for expanded programs are set out in budget language. If this language is not modified to conform with this bill, then the department will be legally required to provide the funding as outlined in the Appropriation Act. Moreover, language citing the pool should accompany the TANF appropriation that is included in the Act.

Since the bill allows the department to determine the amount of TANF that would be allocated to the pool, the ultimate fiscal implications of this bill will vary depending on the number of awards provided. This bill, through creation of the TANF funding pool, would increase the administrative responsibilities of the Department with regard to management of the TANF block grant, solicitation of competitive bids, and sub-recipient monitoring. If the department makes few awards then the fiscal impact of the bill would be minimal and can be absorbed within the existing appropriation. However, the workload could outstrip existing administrative resources if the department must manage a multitude of expanded TANF recipients. It is estimated that the department would require up to three additional positions if \$19 million of awards were provided each year.

Although the proposed legislation authorizes emergency regulations, it is assumed that the department will not be able to begin awarding grants until FY 2012. The introduced budget does not include any TANF for expanded programming in FY 2012 due to increasing caseloads. Moreover, expenditure forecasts estimate that there will be no excess TANF funding available for expanded programs in the foreseeable future. Based on these assumptions, this bill will not have a fiscal impact on the department.

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

Department of Social Services

**10. Technical Amendment Necessary:** None

**11. Other Comments:** None

**Date:** 1/14/2010

**Document:** G:\2010 Fiscal Year\10 General Assembly\2010 EFIS\HB80.Doc