

Department of Planning and Budget 2011 Fiscal Impact Statement

1. **Bill Number:** HB 1632

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

2. **Patron:** Watts, Vivian E.

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

4. **Title:** Eligibility for TANF; drug-related felonies

5. **Summary:** This bill provides that a person who is otherwise eligible to receive Temporary Assistance for Needy Families (TANF) assistance shall not be denied assistance solely because he has been convicted of a felony offense for the possession of a controlled substance provided he complies with all obligations imposed by the court, has completed substance abuse treatment, and participates in drug screenings.

6. **Budget Amendment Necessary:** Yes, item 327.

7. **Fiscal Impact Estimates:** Preliminary

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011	-	-	-
2012	\$72,468	-	General
2013	\$137,808	-	General
2014	\$137,808	-	General
2015	\$137,808	-	General
2016	\$137,808	-	General
2017	\$137,808	-	General

8. **Fiscal Implications:** This bill will expand the service population for TANF to include applicants previously ineligible due to a drug-related felony. Adding these individuals to the TANF population will increase the TANF program's cost by approximately \$72,468 the first year and \$137,808 each year thereafter.

Benefits Impact:

Beginning July 1, 2005 drug felons convicted of possession became eligible to receive food stamps. To determine the impact this legislation will have on TANF assistance payments, the department identified all cases currently participating in the food stamp program where an individual in the household was a convicted drug felon. All single person households were eliminated because the household must have an eligible child to receive TANF. Assuming all households with more than one person contained at least one child, and eliminating those

households with income above 25 percent of poverty (TANF income limitation), 174 individuals would be eligible for TANF each month if the bill were to pass. Assuming these 174 individuals applied for and received TANF and the average increase in the assistance payment is \$66 per month for the additional person, or \$792 annually, then it would cost the department \$137,808 ($174 * \$66 * 12$) annually to provide TANF assistance to this population. The first year cost (\$72,468) reflects a gradual increase in the TANF caseload over the first twelve months.

This fiscal impact estimate assumes that the majority of the individuals being added to the TANF caseload currently have active cases for their children and are participating in Virginia Initiative for Employment not Welfare (VIEW); however, their needs have been omitted from the grant because of their drug possession conviction. As a result, there will be minimal costs associated with increased child care.

Administrative Impact:

This bill would require local workers to determine and monitor client compliance. However, in July 2005, the department implemented these same provisions for the food stamp program with no noticeable administrative cost increase. Therefore, the time and cost involved with implementation of this legislation would be minimal.

The TANF block grant is fully allocated in the introduced budget; therefore budget action will be required to fund this legislation. Either currently budgeted TANF resources need to be diverted from other programs or the additional costs will have to be supported with general fund dollars as assumed in this statement.

9. Specific Agency or Political Subdivisions Affected:

Department of Social Services

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/14/2011

Document: G:\2011 Fiscal Year\EFIS 2011\HB1632.Doc