

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB 226

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

2. Patron: Watts, Vivian E.

3. Committee: Health, Welfare and Institutions

4. Title: TANF; eligibility of assistance when convicted of drug-related felonies

5. Summary: The proposed legislation provides that a person who is otherwise eligible to receive Temporary Assistance for Needy Families (TANF) assistance shall not be denied solely because he has been convicted of a felony offense for 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. Fiscal Impact Estimates: Preliminary

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2010	-	-	General
2011	\$72,072	-	General
2012	\$129,888	-	General
2013	\$129,888	-	General
2014	\$129,888	-	General
2015	\$129,888	-	General
2016	\$129,888	-	General

7. Budget Amendment Necessary: Yes, item 327.

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 roles will increase the TANF program's cost by approximately \$72,072 the first year and \$129,888 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 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), 164 individuals would be eligible for TANF each month if the bill were to pass. Assuming these

164 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 \$129,888 ($164 * \$66 * 12$) annually to provide TANF assistance to this population. The first year cost (\$72,072) 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, including periodic drug screenings. It is assumed that client compliance would be verified as part of the annual eligibility re-determination process. In addition, each of the estimated 164 individuals would undergo drug screening once a year. At 30 minutes per screening, it will take 82 hours per year to screen 164 participants. These additional work hours will be spread over all local departments of social services. Therefore, the any administrative time and cost involved with implementation of this legislation will be minimal.

9. Specific Agency or Political Subdivisions Affected:

Department of Social Services

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/21/2010

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