# Department of Planning and Budget
## 2011 Fiscal Impact Statement

1. **Bill Number:** SB 1223

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

2. **Patron:** Barker, George L.

3. **Committee:** Rehabilitation and Social Services

4. **Title:** Temporary Assistance for Needy Families Funding Pool

5. **Summary:** The proposed legislation requires the Department of Social Services to develop 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, a competitive process, uniform oversight and uniform program evaluation criteria. The Department of Social Services is responsible for awarding funds based on detail proposals and performing the subsequent administration, evaluation and monitoring of the award recipients.

6. **Budget Amendment Necessary**: Yes. Appropriation Act language (§4-12.00 of the introduced budget) stipulates that the provisions of the Act supersede any other conflicting provision of law. Therefore, a budget amendment reflecting the provisions of this bill is needed since the TANF appropriations for expanded programs are set out in budget language. If this language is not modified to conform to this bill, then the department will forced to expend TANF funding as outlined in the Appropriation Act.

7. **Fiscal impact is preliminary (see item 8)**

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. For FY 2012, only the TANF funding

provided for Healthy Families of Virginia ($2.4 million) and homeless assistance ($1.2 million) 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 intent of this legislation. Appropriation Act language (§4-12.00 of the introduced budget) stipulates that the provisions of the Act supersede any other conflicting provision of law. Therefore, a budget amendment reflecting the provisions of this bill is needed since the TANF appropriations for expanded programs are set out in budget language. If this language is not modified to conform to this bill, then the department will forced to expend TANF funding as outlined in the Appropriation 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.

9. **Specific Agency or Political Subdivisions Affected:**
   Department of Social Services

10. **Technical Amendment Necessary:** No

11. **Other Comments:** This bill is a companion to HB 1853.

**Date:** 1/18/11
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