

## Department of Planning and Budget 2013 Fiscal Impact Statement

**1. Bill Number:** HB 1458

**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:** TANF; assistance when convicted of drug-related felony

**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 assistance solely because he has been convicted of a felony offense of possession of a controlled substance, provided that he complies with all obligations imposed by the court and the Department of Social Services, is actively engaged in or has completed substance abuse treatment, and participates in drug screenings.

**6. Budget Amendment Necessary:** No. (See Item 8)

**7. Fiscal Impact Estimates:** Preliminary

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2013	-	-	-
2014	\$138,930	-	Nongeneral Funds
2015	\$255,816	-	General Fund
2016	\$255,816	-	General Fund
2017	\$255,816	-	General Fund
2018	\$255,816	-	General Fund
2019	\$255,816	-	General Fund

**8. Fiscal Implications:** This bill will expand the service population for TANF to include applicants previously ineligible due to possession of a controlled substance felony conviction. Adding these individuals to the TANF population will increase the TANF program's cost by approximately \$138,930 the first year and \$255,816 each year thereafter. The TANF block grant is expected to have a one-time \$2.8 million balance in FY 2014. The anticipated balance is sufficient to cover the estimated first year cost of this legislation. However, projections of TANF revenue and spending for FY 2015 and beyond indicate that general fund resources would be necessary to support this legislation as sufficient TANF balances are not expected.

**Benefits Impact:** In FY 2012, 489 individuals were deemed ineligible for TANF due to identifying themselves as a drug felon, violating parole or fleeing a felony. The department

does not have more specific information as to which of these categories each individual fell. However, it is assumed that most of the individuals in this population are associated with drug felony convictions. Therefore, it is further assumed that two-thirds of the exclusions are related to the identification of a felony drug conviction. As such, 323 (489\*66 percent) individuals who were previously ineligible for TANF due to a felony possession of a controlled substance conviction would become eligible for TANF benefits as a result of this bill. Assuming these individuals applied for and received TANF and the average increase in the assistance payment is \$66 per month for an additional person, it would cost the department \$255,816 ( $323 * 66 * 12$ ) annually to provide TANF assistance to this population. A gradual increase in the caseload is assumed in the first year at a cost of \$138,930. This fiscal impact estimate assumes that most 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.

**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 SB 835.

**Date:** 1/10/13

**Document:** G:\2013 Fiscal Year\2013 GA Session\EFIS\HB1458.docx