

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: SB 1421

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

2. Patron: Colgan, Charles J.

3. Committee: -

4. Title: TANF; Back-to-School Supplies and Clothing Allowance Program

5. Summary: The amended legislation directs the Department of Social Services (DSS) to establish and administer the Back-to-School Supplies and Clothing Allowance Program. Under the Program, families receiving benefits under the Temporary Assistance for Needy Families (TANF) Program shall be eligible to receive an annual \$100 voucher for each eligible school-age child in the home to be used for supplies and clothing essential for returning to school. The Program shall be funded by the TANF block grant. The bill also includes a requirement that an appropriation be included in the general Appropriation Act for the bill's provisions to become effective.

6. Budget Amendment Necessary: Yes. The provisions of the bill will not become effective unless an appropriation effectuating its purposes is included in the Appropriation Act passed by the 2015 General Assembly.

7. Fiscal Impact Estimates: Preliminary

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015	-	-	-
2016	\$3,507,600	-	Nongeneral Funds
2017	\$3,307,600	-	See Item 8
2018	\$3,307,600	-	See Item 8
2019	\$3,307,600	-	See Item 8
2020	\$3,307,600	-	See Item 8
2021	\$3,307,600	-	See Item 8

8. Fiscal Implications: This legislation requires DSS to provide a \$100 voucher for each eligible school-age child receiving TANF benefits. This voucher is to be used for school supplies and clothing. In December 2014, approximately 33,076 Virginia children ages 5 – 17 received TANF assistance. Under the Program, each of those children would be given an additional \$100 voucher for school supplies and clothing. This equates to an estimated \$3,307,600 (33,076 * \$100) in TANF expenses annually.

It is estimated that one-time information technology costs of \$200,000 in the first year would be needed to distribute the extra \$100 in funding. The vendor would need to modify its systems for the additional payments to those families with qualifying children. There could be further expenses if the intent is to restrict access to purchases of clothing and school supplies only or if the payments could not be placed on the families' current benefit cards. Actual vendor expenses would be determined based on final requirements.

Based on the introduced budget, the TANF block grant is expected to have a balance in FY 2016 sufficient to cover the cost of this legislation. While a TANF surplus may be available in future years, this balance cannot be assumed. Moreover, it should be noted that this statement estimates the fiscal impact of this bill versus the introduced budget; it does not account for other legislative proposals that impact TANF funds. To the extent that the obligations created by this bill (and others) exceed the pool of available TANF funds, general fund appropriation would be necessary to fulfill these requirements.

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

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 2/6/15