

## Department of Planning and Budget

### 2016 Fiscal Impact Statement

**1. Bill Number:** HB1349

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Freitas

**3. Committee:** General Laws

**4. Title:** Resettlement of refugees; review process.

**5. Summary:** Amends the process for resettlement of refugees. Unless there is prior approval by the Virginia State Police and Governor, this legislation prohibits any agency of the Commonwealth, political subdivision, employees or officers acting in an official capacity, or members of the Virginia National Guard or Virginia Defense Force from assisting with refugee resettlement in Virginia and from assisting any refugee resettled in Virginia on or after January 1, 2016. Refugees may be approved for resettlement in Virginia after a background check by the State Police, certification that the refugee does not pose a security threat, and a review by the Governor. For each permitted refugee, the Department of Social Services (DSS) must develop a resettlement plan that includes determining the locality in which the refugee will be resettled, notifying that local governing body, and attending any meeting or hearing held in the locality to discuss the proposed resettlement.

**6. Budget Amendment Necessary:** Yes.

**7. Fiscal Impact Estimates:** Preliminary. See Item 8.

**8. Fiscal Implications:**

Federal Funds

The U.S. Department of State determines the placement of refugees within the country. Under current federal law this Refugee Resettlement Program, which is financed solely through federal funding, entitles documented refugees to cash and medical assistance, medical screenings, and employment services. The proposed legislation requires the State Police to perform background checks on any refugees resettled in Virginia and it prohibits the resettlement of any refugee who has been convicted of a violent crime or is determined to be a member or supporter of a known terrorist organization. Virginia State Police (VSP) has determined that requirements affecting the agency under this bill are in conflict with federal law under 28 CFR Part 23. The bill also gives the Governor the ability to deny any refugee entry into the Commonwealth. Having a policy that would allow for the exclusion of any refugee the federal government resettled in Virginia and determined to be eligible for assistance would put the Commonwealth in violation of its Refugee Resettlement Program State Plan under the federal Office of Refugee Resettlement (ORR). This violation would

make the Commonwealth subject to termination of federal funding under 45 CFR 400.4 and 45 CFR 400.12 (b)(1).

Furthermore, Title VI of the Civil Rights Act states that all refugees are qualified aliens eligible to apply for public benefits, including TANF, Medicaid, SNAP, Refugee Cash Assistance, and Refugee Medical Assistance. Passage of this bill could place Virginia out of compliance with the requirements, applicable statutes, and assurances, and therefore Virginia could be subject to enforcement action, including denial of federal funding for these programs.

The risk to the Virginia Refugee Resettlement Program is a reduction in federal grant funding of \$11,112,677 in FY 2017 and each year thereafter. The estimated loss in direct federal refugee assistance funding is detailed below:

<b>Federal Refugee Assistance Funding</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>Total Biennium</b>
Cash and Medical Assistance (CMA)	\$8,867,500	\$8,867,500	<b>\$17,735,000</b>
Refugee Social Services (RSS)	\$1,667,850	\$1,667,850	<b>\$3,335,700</b>
Targeted Assistance Program (TAP)	\$277,327	\$277,327	<b>\$554,654</b>
Virginia Refugee Student Achievement Program (VRSAP)	\$300,000	\$300,000	<b>\$600,000</b>
<b>Totals</b>	<b>\$11,112,677</b>	<b>\$11,112,677</b>	<b>\$22,225,354</b>

The Department was unable to verify if federal fiscal year (FFY) 2016 funds would be rescinded with the implementation of this bill or if Virginia would be required to reimburse the federal government for grant money expended prior to the legislation's implementation during FFY 2016.

#### State Expenses

Subsection D (i) and (ii) of this bill requires the Department of Social Services (DSS) to develop a resettlement plan for any refugee determined to be eligible for resettlement and to notify the local governing body, law-enforcement, and attorney where the refugee is to be resettled. Currently, the Refugee Admissions Program within the U.S. Department of State is responsible for developing a resettlement plan for all United States-bound refugees; it is also the federal government's responsibility, as part of the plan, to determine a suitable resettlement location within the country. If DSS begins to create its own resettlement plans, the Department could be found to be out of compliance with federal regulations, which could result in legal action and/or loss of federal funding.

The third clause of subsection D requires a representative of DSS to attend meetings and hearings of refugees. In 2015, 2,161 refugees arrived in Virginia and the estimated number for 2016 is 2,310. Assuming one meeting or hearing per refugee, it is estimated that the Department would need three additional hearing officers at a cost of \$100,071 per officer in the first year and \$94,908 in the second year and beyond. The total cost for salary, benefits, and nonpersonal services including rent, telephone, and travel for the positions is estimated to be \$300,210 general fund in FY 2017 and \$284,721 general fund in FY 2018 and each year thereafter. This bill, if enacted, may create a general fund shortfall.

If federal funding was discontinued, the cost of this program for state administration and program expenses may need to be funded by the state general fund and a minimal local match for local government administrative efforts. These program and administrative costs currently funded through federal grants totaled \$10,156,800 in FY 2015 and this level of expense is projected to remain at a similar level in subsequent years.

**9. Specific Agency or Political Subdivisions Affected:** Department of Social Services, Department of Health, Virginia State Police, local law enforcement, Department of Education, Commonwealth's Attorneys

**10. Technical Amendment Necessary:** No

**11. Other Comments:**