

Department of Planning and Budget

2016 Fiscal Impact Statement

1. Bill Number: HB824

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

2. Patron: LeMunyon

3. Committee: Health, Welfare and Institutions

4. Title: Supplemental Nutrition Assistance Program; limitations.

5. Summary: Supplemental Nutrition Assistance Program; limitations. Limits the locations in which electronic benefit transfer cards may be used to the Commonwealth, the District of Columbia, Kentucky, Maryland, North Carolina, Tennessee, and West Virginia, unless the Supplemental Nutrition Assistance Program recipient is granted a waiver by the Department of Social Services. The bill also provides that in the event a recipient uses an electronic benefit transfer card in any other location, the recipient is required to return such funds and thereby forfeits eligibility for future benefits. The bill contains technical amendments regarding the name of the food stamp program.

6. Budget Amendment Necessary: Yes.

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

8. Fiscal Implications: This bill limits the locations in which Supplemental Nutrition Assistance Program (SNAP) electronic benefits transaction (EBT) cards can be used to the Commonwealth, Washington D.C., and the states bordering Virginia. However, under the Federal Electronic Benefit Transfer Interoperability and Portability Act of 2000, states must ensure that SNAP benefits can be used across state borders. If Virginia is found to be in non-compliance with federal law and regulations, the state could lose \$53 million in administrative funding from the federal government for the SNAP program.

In order to determine which recipients are using their EBT cards outside of the state and its neighboring states, the Department of Social Services will need to request a special report run by the contractor responsible for administering and monitoring EBT cards. This bill may create potential savings for the state; however, it is indeterminate at this time how many people may lose eligibility for the program.

This legislation would require a public awareness or media campaign so that current SNAP recipients would understand the changes in policy and practice. Approximately 842,957 recipients in Virginia would need to be notified using a variety of communication including: direct mailings, posters, and television, radio, and print ad options. Although there are many

factors that can impact the cost of notifications and advertising, an estimate by the Department for similar campaigns is approximately \$750,000. If the bill is found to comply with federal law, then federal funding may be available to cover a portion of the public awareness campaign; if that is the case the split is estimated to be \$375,000 general fund and \$375,000 federal funds. This is a one-time cost in FY 2017. Going forward, all new applicants can be notified of the change during a meeting with local Departments of Social Services eligibility workers.

9. Specific Agency or Political Subdivisions Affected:

10. Technical Amendment Necessary:

11. Other Comments: