

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: HB2408

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

2. Patron: Head

3. Committee: Health, Welfare and Institutions

4. Title: Supplemental nutrition assistance program; eligibility criteria.

5. Summary: Sets out eligibility criteria for participation in the supplemental nutrition assistance program (SNAP).

6. Budget Amendment Necessary: Yes.

7. Fiscal Impact Estimates: See Item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2017	-	-	-
2018	\$7,057,840	48	General
	\$11,904,440	93	Nongeneral
2019	\$6,975,840	48	General
	\$11,822,440	93	Nongeneral
2020	\$6,975,840	48	General
	\$11,822,440	93	Nongeneral
2021	\$6,975,840	48	General
	\$11,822,440	93	Nongeneral
2022	\$6,975,840	48	General
	\$11,822,440	93	Nongeneral
2023	\$6,975,840	48	General
	\$11,822,440	93	Nongeneral

*This estimate does not include an estimated local match cost of \$1,493,937 in FY 2018 and each year thereafter.

8. Fiscal Implications: This legislation will introduce additional costs to the Department of Social Services (the Department) due to the proposed changes to Virginia SNAP eligibility requirements and due to the condition of statewide participation in the Supplemental Nutrition Assistance Program Employment and Training (E&T) program which provides education and training services to SNAP recipients. This bill will require information

systems changes, agreements with a partnering agency, and increases in state and local departments of social services (LDSS) staffing.

SNAP Employment and Training (E&T) Program Expansion

Currently, SNAP E&T is voluntary and only available in 22 of 120 local departments of social services. Requiring participation would expand program availability to all agencies, expand support services for those in the program, and require an increase in staff for the Department as well as the local departments of social services.

Due to the increase in the number of localities required to participate under this bill, the Department would need two additional staff estimated to cost \$176,842 (including salary, benefits and nonpersonal services) to monitor and provide program assistance. The funding for these positions would be split 50 percent general fund and 50 percent nongeneral funds. Additionally, under this bill, every locality would participate in the program, which means each locality may need the equivalent of one staff member to implement and work the program. Since 98 (120 localities - 22 current participating localities) local departments currently do not participate in SNAP E&T, 98 additional local staff may be needed at an average cost of \$73,009 per local worker or \$7,154,882 (98 x \$73,009) in total. These positions would be split 34.5 percent general fund (\$2.5 million), 50 percent federal funds (\$3.6 million), and 15.5 percent local funds (\$1.1 million). SNAP E&T also includes participant costs averaging \$20,909 per locality for transportation and \$4,432 per locality for dependent care raising expenses by \$2,483,418 (98 x [\$20,909+\$4,432]). The participant costs are split 34.5 percent general fund (\$856,779), 50 percent federal funds (\$1.2 million), and 15.5 percent local funds (\$384,930). Total costs to expand the SNAP E&T program statewide could be as much as \$9.8 million (\$3.4 million general fund, \$4.9 million nongeneral funds, and \$1.5 million local funds).

Eligibility Determination Systems Changes

This legislation proposes that no physically and mentally fit individual over 15 years of age or under 60 years of age shall be eligible to participate in the supplemental nutrition assistance program if the individual does not meet specifically defined criteria. The wording “over 15 years” varies from federal legislation which states “16 years or over.” The Virginia Case Management System (VaCMS) is currently programmed to determine eligibility based on the federal regulations; therefore, the change in age from 16 years to over 15 years will require system changes to VaCMS as “over 15 years” can be interpreted as the age of anyone who has passed his 15th birthday. Systems changes to VaCMS must be contracted. An estimated 40 hours of contract time is estimated to be needed. In addition, an estimated 400 hours of contract time is estimated to be needed to perform testing prior to the system. Therefore, to facilitate the coding changes to VaCMS pursuant to this legislation, total funding of \$164,000 (\$120,000 + \$44,000) is needed in FY 2018 only. These costs will be split 50 percent general fund (\$82,000) and 50 percent nongeneral funds (\$82,000).

Child Support Enforcement Caseloads

Under this legislation, an applicant can be found to be ineligible to participate in the SNAP program if the applicant:

- “is a custodial parent of a child who fails or refuses to cooperate in establishing paternity of the child and obtaining support from the noncustodial parent, unless good cause for such failure or refusal to cooperate exists” or,
- “is a noncustodial parent of a child who fails or refuses to cooperate in establishing the paternity of the child and providing support for the child.”

As of August 2016, there were 377,462 SNAP cases. Statistics from the Congressional Budget Office show that 49 percent of SNAP households have children; therefore, it is assumed that 184,956 ($377,462 \times 49$ percent) SNAP cases in Virginia also have children. Furthermore, in a report on child support statistics by the United States Census Bureau, it was reported that 48.7 percent of custodial single parents have some type of legal or informal child support agreement in place. Consequently 51.3 percent of custodial single parents, including an assumed 94,882 ($184,956 \times 51.3$ percent) Virginia SNAP cases, do not have a child support agreement in place. It is further estimated that approximately 10 percent of these families are single parent households due to the death of the other parent and that another 10 percent would not choose to follow through with a child support agreement. Therefore, the total estimated number of SNAP cases that do not have a child support agreement and would seek to have one is 75,906 ($94,882 \times 80$ percent).

For purposes of this analysis, it is therefore assumed that 75,906 SNAP cases would need to formally open a child support case to continue to qualify for SNAP, which would increase the Division of Child Support Enforcement’s (DCSE) caseload. On average, the Support Enforcement Specialists in DCSE work with 623 cases each. To keep up with the demand of cases, DCSE would need the equivalent of 122 ($75,906 / 623$) full time Support Enforcement Specialists. In addition, a ratio of one supervisor for every seven workers would create the need for 17 additional supervisors. Based on average salaries of \$41,925 for Support Enforcement Specialists and \$61,494 for supervisors, the total new staffing costs including salaries, benefits and operational expenses are estimated at \$10,477,074 annually. Those costs would be split 34 percent general fund (\$3.6 million) and 66 percent nongeneral funds (\$6.9 million). Temporary Assistance for Needy Families (TANF) child support collections have decreased due to the decline in TANF cases; therefore, there are insufficient collections to cover the 24 percent portion of the salaries usually funded with TANF retained collections.

Total Legislation Costs

The total costs of this legislation are estimated at \$20.5 million (\$7.1 million general fund, \$11.9 million nongeneral funds, and \$1.5 million local funds) in FY 2018 and \$20.3 million (\$7 million general fund, \$11.8 million nongeneral funds, and \$1.5 million local funds) in FY 2019 and each year thereafter.

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Eligibility Determination	Total	Federal	General	Local
VaCMS	\$164,000	\$82,000	\$82,000	\$0
Total	\$164,000	\$82,000	\$82,000	\$0
SNAP E&T Expansion				
State Staff	\$176,842	\$88,421	\$88,421	\$0
Participant Costs	\$2,483,418	\$1,241,709	\$856,779	\$384,930
Local Staff	\$7,154,882	\$3,577,441	\$2,468,434	\$1,109,007
Total	\$9,815,142	\$4,907,571	\$3,413,635	\$1,493,937
DCSE Workload Increase				
State Staff	\$10,477,074	\$6,914,869	\$3,562,205	\$0
Total	\$10,477,074	\$6,914,869	\$3,562,205	\$0
Total Costs	\$20,456,216	\$11,904,440	\$7,057,840	\$1,493,937

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SNAP E&T Expansion	Total	Federal	General	Local
State Staff	\$176,842	\$88,421	\$88,421	\$0
Participant Costs	\$2,483,418	\$1,241,709	\$856,779	\$384,930
Local Staff	\$7,154,882	\$3,577,441	\$2,468,434	\$1,109,007
Total	\$9,815,142	\$4,907,571	\$3,413,635	\$1,493,937
DCSE Workload Increase				
State Staff	\$10,477,074	\$6,914,869	\$3,562,205	\$0
Total	\$10,477,074	\$6,914,869	\$3,562,205	\$0
Total Costs	\$20,292,216	\$11,822,440	\$6,975,840	\$1,493,937

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

10. Technical Amendment Necessary: Yes.

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or

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and

11. Other Comments: