

REVISED

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: SB1149

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

2. Patron: Favola

3. Committee: Rehabilitation and Social Services

4. Title: Virginia Initiative for Employment Not Welfare; transitional support services; time limit.

5. Summary: Extends from 12 months to 24 months the amount of time a Virginia Initiative for Employment Not Welfare participant whose Temporary Assistance for Needy Families financial assistance has been terminated can receive transitional support services, provided the participant is enrolled in an accredited public institution of higher education or other postsecondary school licensed or certified by the Board of Education or the State Council of Higher Education and is taking courses as part of a curriculum that leads to a postsecondary credential, such as a degree or an industry-recognized credential, certification, or license. The bill provides that such transitional support services shall terminate when the participant completes his curriculum at such institution or school or is otherwise no longer enrolled in such institution or school, or at the end of 24 months, whichever comes first. The bill directs the Board of Social Services to promulgate regulations to implement the provisions of the bill.

6. Budget Amendment Necessary: Yes.

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

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars*</i>	<i>Positions</i>	<i>Fund</i>
2017	-	-	-
2018	\$24,724	-	General
	\$1,614,233	-	Nongeneral
2019	\$24,724	-	General
	\$683,033	-	Nongeneral
2020	\$24,724	-	General
	\$683,033	-	Nongeneral
2021	\$24,724	-	General
	\$683,033	-	Nongeneral
2022	\$24,724	-	General
	\$683,033	-	Nongeneral
2023	\$24,724	-	General

	\$683,033	-	Nongeneral
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*There is an annual local match increase of \$29,214 associated with this bill.

8. Fiscal Implications: This legislation extends the amount of time that certain Virginia Initiative for Employment Not Welfare (VIEW) recipients can receive transitional services from 12 months to a maximum of 24 months. Those VIEW participants that qualify for extended transitional services under this bill are VIEW recipients whose Temporary Assistance for Needy Families (TANF) financial assistance has been terminated, but who are enrolled in an accredited public institution of higher education or other postsecondary school and are taking courses as part of a curriculum that leads to a postsecondary credential. Currently, a VIEW participant may be eligible for transitional services for up to 12 months beginning with the month following TANF case closure. Under this legislation, transitional services beyond 12 months will terminate when a participant completes the curriculum at an institution of higher learning, is no longer enrolled in such institution or school, or at the end of 24 months, whichever comes first. VIEW transitional services include child care, medical/dental services, work-related expenses, emergency intervention services, transportation, Transitional Employment and Training Services (TET) and the VIEW Transitional Payment (VTP).

Benefits

As of June 2016, there were 2,154 VIEW participants receiving transitional benefits with the cost of those benefits totaling \$6,890,621 in FY 2016. Nine percent of all VIEW participants are in an educational program, so it is assumed that nine percent or 194 (2,154 x 9 percent) of VIEW transitional participants are also in an educational program and will be impacted by this bill. It is further assumed that with the transitional period increased from 12 months to 24 months, there will be similar attrition rates and rate of services between 12 and 24 months as there currently are between 0 – 12 months. Therefore, the additional annual transitional services are estimated to cost \$620,156 (\$6,890,621 x 9 percent) beginning in FY 2018. As stated above, these transitional expenses include funding for transportation, supportive services, education and training, and child care. The majority of the expenses are for child care services (\$548,493). These child care expenditures will be funded from the TANF transfer to the Child Care Discretionary Fund. The funding for the other services is approximately \$71,663 and will be split 34.5 percent general fund (\$24,724), 50 percent nongeneral TANF funds (\$35,831), and 15.5 percent local matching funds (\$11,108) beginning in FY 2018 and each year thereafter. Nongeneral funds will be utilized to the extent that there are federal Child Care Block Grant and TANF balances to support these expenses.

Local Staff and Operations

Given the extension of transitional benefits, the case management workload will also increase for local departments of social services (LDSS) staff. It is assumed that it takes local workers approximately one hour per month to manage a VIEW transitional case. With 194 VIEW transitional cases extending service by 12 months, 2,328 (194 x 1 hour x 12 months) additional staff hours will be needed to handle the additional caseload.

The average annual cost of employing (salary, benefits, nonpersonal services, etc.) a local case worker is \$73,009. Assuming 1,500 annual productive hours per full-time local employee, the equivalent of 1.6 (2,328 hours /1,500 hours) additional local staff will be needed at a total cost of \$116,814 (\$73,009 x 1.6). The local cost will be split between 84.5 percent federal funds (\$98,708), and 15.5 percent local funds (\$18,106).

Systems Modifications

In addition, changes to the Virginia Case Management System (VaCMS) are necessary to facilitate the requirements of this legislation in FY 2018 only. The current vendor contract requires the use of contractors for all VaCMS coding, and it is estimated that six additional contractors will be needed for a total cost of \$720,000 (6 contractors x \$250 per hour x 480 hours). In addition, six contractors working for the Department are needed to perform various tests necessary prior to system deployment. These contractors are estimated to cost \$211,200 (6 contractors x \$110 per hour x 320 hours). The total estimate for systems changes to accommodate this legislation is \$931,200 (\$720,000 + \$211,200) in FY 2018, which can be funded by 100 percent TANF federal funds.

The total cost of this legislation in FY 2018 is \$1,638,956, including costs for additional transitional services, staff, and systems costs. In FY 2019 and each year thereafter, the total cost of this legislation is \$707,756, including costs for additional services and staff. These totals do not include an annual local match increase of \$29,214 associated with this bill.

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

10. Technical Amendment Necessary: No.

11. Other Comments: This Fiscal Impact Statement has been revised following additional discussion with the Department of Social Services to properly assign funding to the program in which changes will occur.