

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB945

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

2. Patron: Lopez

3. Committee: Committee Referral Pending

4. Title: Eligibility for TANF; drug-related felonies.

5. Summary: Provides that a person who is otherwise eligible to receive Temporary Assistance for Needy Families (TANF) shall not be denied assistance solely because he has been convicted of a felony offense of possession of a controlled substance, provided that he complies with all obligations imposed by the court and the Department of Social Services and is actively engaged in or has completed a substance abuse treatment program.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates:

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	-	-	-
2019	\$210,150	-	Nongeneral Funds
2020	\$420,300	-	Nongeneral Funds
2021	\$420,300	-	See Item 8
2022	\$420,300	-	See Item 8
2023	\$420,300	-	See Item 8
2024	\$420,300	-	See Item 8

8. Fiscal Implications: This bill expands the service population for TANF to include applicants previously ineligible due to possession of a controlled substance felony conviction. In FY 2017, 467 individuals were deemed ineligible for TANF due to felony drug convictions. The average increase in the TANF assistance payment is \$75 per month for an additional person. Therefore, the net increase in TANF benefits for this newly eligible population would be \$420,300 (467 x 12 x \$75). A gradual increase in the caseload is assumed in the first year at a cost of \$210,150.

This fiscal impact estimate assumes that most of the individuals being added to the TANF caseload currently have active cases for their children and are participating in Virginia Initiative for Employment not Welfare (VIEW); however, their needs have been omitted from

the grant because of their drug possession conviction. As a result, there will be minimal costs associated with increased child care.

Based on the introduced budget, the TANF block grant is expected to have balances in 2019 and 2020 that are 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, local departments of social services

10. Technical Amendment Necessary: No.

11. Other Comments: None.