

## Department of Planning and Budget 2019 Fiscal Impact Statement

1. **Bill Number:** HB2231

<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:** Bagby

3. **Committee:** Health, Welfare and Institutions

4. **Title:** Eligibility for food stamps; drug-related felonies.

5. **Summary:** Provides that a person who is otherwise eligible to receive food stamp benefits shall not be denied such assistance solely because he has been convicted of a drug-related felony. Under current law, such individuals may not be denied food stamp benefits based on a felony conviction of possession of a controlled substance, provided that such person is complying with, or has already complied with, all obligations imposed by the criminal court, is actively engaged in or has completed a substance abuse treatment program, participates in periodic drug screenings, and fulfills any other obligations as determined by the Department of Social Services.

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

7. **Fiscal Impact Estimates:** Estimates are preliminary.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2019	-	-
2020	\$111,546	General
	\$163,437	nongeneral
2021	\$76,546	General
	\$110,937	nongeneral
2022	\$76,546	General
	\$110,937	nongeneral
2023	\$76,546	General
	\$110,937	nongeneral
2024	\$76,546	General
	\$110,937	nongeneral
2025	\$76,546	General
	\$110,937	nongeneral

8. **Fiscal Implications:** This legislation would allow a person convicted of a drug-related felony to receive food stamp benefits, as long as they are otherwise eligible, and removes the requirements to address criminal court obligations and participate in substance abuse treatments and drug screenings, along with other obligations as determined by the Department of Social Services.

Department of Social Services' Supplemental Nutrition Assistance Program (SNAP) data shows that 107,564 applicants were denied SNAP benefits in 2018. Of these denials, 4,271 applicants were denied in some part because of drug related charges. Furthermore, 3,590 of those cases denied because of drug related charges were for individuals who resided in a SNAP household; meaning that one or more of their family members received SNAP benefits. Additionally, 681 individuals (4,271 – 3,590) were denied and did not reside in a SNAP household, which means that these individuals would become new SNAP cases, if they become eligible under this legislation.

While the number of individuals who would be deemed ineligible due to a reason other than a felony drug conviction is unknown, it is estimated that 15 percent of the 4,271 applicants denied in some part because of drug related charges, would still be denied benefits because of some other disqualifying factor. Therefore, under this legislation, 3,052 ( $3,590 \times 85\%$ ) individuals who reside in a SNAP household and had previously been denied, can be absorbed into the current SNAP case in that household. Of the remaining 681 individuals who were denied benefits in part because of drug-related charges, 579 ( $681 \times 85\%$ ) persons would become SNAP recipients, each with a new SNAP case.

Based on Random Moment Sampling statistics, there are approximately 1,581 local department of social services (LDSS) SNAP workers, who handle an average of 224 cases each. With the addition of 579 new cases, an estimated 3 additional full-time equivalent (FTE) case workers across the 120 LDSS would be needed ( $579 \text{ cases} / 224 \text{ cases per worker}$ ). The cost for 3 additional FTEs, including salary, benefits, and operating costs is \$221,873 annually. Those staffing costs are funded through 34.5 percent general fund (\$76,546), 50 percent federal funds (\$110,937), and a 15.5 percent local match (\$34,390).

In addition, one-time costs of \$87,500 (\$35,000 general fund and \$52,500 federal funds) in FY 2020 will be necessary for modifications to the Virginia Case Management System (VaCMS) for the eligibility rule changes.

The total cost of this legislation is estimated at \$309,373 in FY 2020 and \$221,873 each year thereafter. Additionally, there is an annual local match of \$34,390.

**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.