

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB786

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ 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, a person otherwise eligible to receive food stamp benefits shall not be denied food stamp benefits based on a felony conviction of possession of a controlled substance in violation of § 18.2-250, 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:

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2020	-	-
2021	\$176,267 \$257,236	General fund Nongeneral funds
2022	\$132,361 \$191,828	General fund Nongeneral funds
2023	\$132,361 \$191,828	General fund Nongeneral funds
2024	\$132,361 \$191,828	General fund Nongeneral funds
2025	\$132,361 \$191,828	General fund Nongeneral funds
2026	\$132,361 \$191,828	General fund Nongeneral funds

*There is a local match for this legislation of \$63,468 in FY 2021 and \$59,467 in FY 2022 and each year thereafter.

- 8. Fiscal Implications:** Currently, under the Code of Virginia, a person convicted of a drug felony may only receive Supplemental Nutrition Assistance (SNAP) benefits if they comply with all criminal court obligations, participate in substance abuse treatments and drug screenings, and meet other obligations as determined by the Department of Social Services (DSS). This legislation would allow a person convicted of a drug-related felony to receive SNAP benefits without meeting the before mentioned conditions, as long as they are otherwise determined eligible.

In 2019, there were 1,891 SNAP cases terminated or denied due to felony drug convictions. Therefore, it is likely that 1,891 applicants would no longer be denied SNAP benefits as a result of this legislation. However for the purposes of this analysis, it is assumed that only half of the applicants, or 946 people would participate in the SNAP program for longer than a year. It is assumed that the other half would either become ineligible for SNAP because they no longer meet other SNAP eligibility criteria or would choose to leave the SNAP program within the first year for other reasons and would not need on-going case management or redetermination services provided by the local departments of social services (LDSS).

Based on Random Moment Sampling statistics, there are approximately 1,626 LDSS SNAP workers, who handle an average of 209 cases each. With the addition of 946 new cases, an estimated 5 additional full-time equivalent (FTE) case workers would be needed (946 cases/209 cases per worker). The estimated cost for five additional FTEs is \$409,471 in FY 2021 and \$383,656 in FY 2022 and each year thereafter. These costs include salary, benefits, and operating costs. On-boarding costs are included in the first year amount. Local FTE costs are split 34.5 percent general fund, 50 percent nongeneral funds, and 15.5 percent local match. Therefore, FY 2021 costs are estimated to be \$141,267 general fund, \$204,736 nongeneral funds, and \$63,468 local funds. The costs beginning in FY 2022 are estimated to be \$132,361 general fund, \$191,828 nongeneral funds, and \$59,467 local funds.

In addition, one-time costs of \$87,500 (\$35,000 general fund and \$52,500 nongeneral funds) in FY 2021 will be necessary for modifications to the Virginia Case Management System (VaCMS) to update eligibility rule changes.

The total estimated cost of this legislation is \$496,971 in FY 2021 and \$383,656 in FY 2022 and each year thereafter, including local match of \$63,468 in FY 2021 and \$59,467 in FY 2022 and each year thereafter.

- 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.