

Department of Planning and Budget 2021 Fiscal Impact Statement

1. Bill Number: HB2035

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

2. Patron: Tran

3. Committee: Health, Welfare and Institutions

4. Title: Virginia Initiative for Education and Work; Full Employment Program.

5. Summary: Modifies the Full Employment Program (FEP) for Virginia Initiative for Education and Work participants by (i) allowing FEP participants to continue receiving Temporary Assistance for Needy Families (TANF); (ii) disregarding wages received through FEP for purposes of calculating TANF; (iii) removing the requirement that a person be unable to find unsubsidized employment in order to participate in FEP; and (iv) allowing employers participating in FEP to receive a subsidy of up to \$1,000 per month for each FEP employee for a period not to exceed six months.

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>
2021	-	-	-
2022	\$104,814 \$2,504,815	1 1	General nongeneral
2023	\$99,652 \$2,499,652	1 1	General nongeneral
2024	\$99,652 \$2,499,652	1 1	General nongeneral
2025	\$99,652 \$2,499,652	1 1	General nongeneral
2026	\$99,652 \$2,499,652	1 1	General nongeneral
2027	\$99,652 \$2,499,652	1 1	General nongeneral

8. Fiscal Implications: The Full Employment Program (FEP) is a subsidized employment program for recipients of Temporary Assistance for Needy Families (TANF) benefits. As a result of this legislation, the employer stipend will be up to \$1,000 per month and will reimburse the employer the cost of wages and training provided for program participants. The Department of Social Services (DSS) estimates that there will be 200 participants per month in subsidized employment activities. The total annual cost of employer subsidies is estimated to be \$2,400,000 (200 x 12 x \$1,000).

In addition, two job developer positions will be needed to recruit employers, develop contracts, and manage employer relations at an average salary of \$62,000 each, beginning in FY 2022. Personnel costs for FY 2022, including salaries and benefits, total \$209,629 (\$104,814 general fund / \$104,815 nongeneral fund), which includes a one-time cost for work station setup. Total annual costs from all fund sources for this legislation are estimated to be \$2,609,629 (\$104,814 general fund) in FY 2022.

Funding for the changes to the FEP were included in the Governor's introduced budget.

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.