

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB1270-H1

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

2. Patron: Sickles

3. Committee: Appropriations

4. Title: SNAP benefits program; inmates of state or local correctional facilities.

5. Summary: The substitute requires the Board of Social Services to adopt regulations establish a process that allows inmates of state or local correctional facilities to apply for SNAP benefits prior to release from custody. The substitute also requires that the Department of Social Services (the Department) make information regarding such process available to the Department of Corrections and the Board of Local and Regional Jails.

The second enactment clause requires that the Board of Social Services' initial adoption of regulations to implement the provisions be exempt from the Administrative Process Act.

The third enactment clause requires the Department to request a waiver for the provisions of 7 C.F.R. § 273.1(b)(7)(vi) if the Department determines that such waiver is necessary to allow inmates to apply for the SNAP benefits program prior to release.

The fourth enactment clause provides that the provisions of the bill will become effective on October 1, 2023.

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>
2023	\$391,241	1	General fund
	\$391,241	1	Nongeneral funds
2024	\$1,905,842	5	General fund
	\$1,846,361	2	Nongeneral funds
2025	\$1,457,273	5	General fund
	\$1,718,183	2	Nongeneral funds
2026	\$1,457,273	5	General fund
	\$1,718,183	2	Nongeneral funds
2027	\$1,457,273	5	General Funds
	\$1,718,183	2	Federal Funds

2028	\$1,457,273	5	General fund
	\$1,718,183	2	Nongeneral funds
2029	\$1,457,273	5	General fund
	\$1,718,183	2	Nongeneral funds

*There is a local match for this legislation of \$492,608 in FY 2024 and \$462,999 in FY2025 and each year thereafter.

8. Fiscal Implications: The substitute bill requires the Board of Social Services to adopt regulations to establish a process that allows inmates of state or local correctional facilities to apply for Supplemental Nutrition Assistance Program (SNAP) benefits prior to release from custody. It also requires that the Department of Social Services (DSS) make information regarding such process available to the Department of Corrections (DOC) and the Board of Local and Regional Jails.

While the substitute removes the stipulation that the process for submitting an application to participate in the SNAP program may begin within 45 days of the inmate's release, it is assumed that the majority of the efforts by DSS and DOC will remain the same, in order to allow eligible inmates to receive SNAP benefits immediately upon release. Provisions of this legislation require the DSS to distribute to the Department of Corrections and the Board of Local and Regional Jails information regarding the process developed by the Department for inmates of state or local correctional facilities to apply to participate in the SNAP benefits program and to begin receiving SNAP benefits immediately upon release.

Additionally, the bill requires the agency to submit to the U.S. Department of Agriculture a request to waive the provisions of 7 C.F.R. § 273.1(b) (7) (vi), if the agency determines that such waiver is necessary to allow inmates to apply for the SNAP benefits program prior to release. The provisions of 7 C.F.R. § 273.1(b) (7) (vi) deem residents of an institution, with some exceptions, ineligible for SNAP benefits. Inmates are not included in the list of exceptions found within the Code of Federal Regulations (C.F.R.). The bill delays enactment until October 1, 2023.

SNAP Benefits

This bill may increase the number of SNAP benefits recipients in the Commonwealth, depending on how many inmates due for release decide to participate in and are eligible for SNAP and would have otherwise not applied for the benefit upon being released from a state or local correctional facility.

According to data compiled from the Department of Corrections and the Compensation Board, approximately 50,700 inmates are released from state and local correctional facilities annually. It is assumed that 25 percent of inmates being released (12,679) will utilize the pre-release application process created by this legislation and it is further assumed that half of those inmates (6,340) would not have otherwise applied for SNAP benefits upon being released. The average monthly benefit for a one-person household is \$121. SNAP benefits are paid directly to the participant from the federal government through an approved vendor. DSS does not have appropriation for SNAP benefits payments in its budget.

Local Effort

Local departments of social services (LDSS) determine eligibility for SNAP. Based on Random Moment Sampling (RMS) statistics, there are approximately 2,077 LDSS SNAP workers, each handling an average of 197 cases. For demonstrative purposes, for every additional 197 cases created by this legislation, one additional benefits programs specialist would be needed. In addition, for every seven new case workers, one benefits programs supervisor is necessary. The average annual personnel cost for a benefits programs specialist is \$77,424 and for a benefits programs supervisor is \$101,904. These costs include salary, benefits, and nonpersonal services. Additionally, one-time onboarding costs of \$5,163 per new employee would be required in the first year. Local staff costs for benefits eligibility are funded with 34.5 percent general fund, 50 percent nongeneral funds, and 15.5 percent local match. Using the assumptions above, approximately 6,340 additional individuals will apply for SNAP benefits as a result of this legislation. It is assumed that these individuals would not have otherwise applied for SNAP and therefore would require additional local department resources for eligibility determinations. Approximately 32 additional benefits programs specialists and five supervisors would need to be hired as a result of this bill. It is assumed that these positions would be hired in July 2023, in order to get to employees up to speed on the process before the provisions become effective on October 1, 2023. Total costs for local staff are estimated to be \$3,178,119 (\$1,096,451 general fund, \$1,589,060 nongeneral funds, \$492,608 local match) in FY 2024 and \$2,987,088 (\$1,030,545 general fund, \$1,493,544 nongeneral funds, \$462,999 local match) in FY 2025 and each year thereafter.

State Office Costs

The legislation requires DSS to develop and distribute information to the Department of Corrections (DOC) and the Board of Local and Regional Jails. This information would likely include information regarding the forms of identification necessary to apply for the SNAP benefits program, opportunities to receive expedited benefits, and opportunities for local departments of social services to visit state and local correctional facilities to assist inmates with applications for the SNAP benefits program. The bill does not expand on the exact type of information that should be supplied, so it is assumed for the purposes of this impact statement, that the information above, which is commonly collected or supplied during the SNAP eligibility process, will be provided.

The agency estimates that it will need four positions in the state office to: (i) manage project implementation; (ii) communicate with local staff and other stakeholders, including the Department of Corrections and the Board of Local and Regional Jails; (iii) provide virtual and onsite technical support; (iv) manage any and all agreements with facilities; and, (v) ensure continued compliance with all federal laws and regulations. It is assumed that two positions will be hired in January 2023, in order for those positions to begin communicating with DOC and local and regional jails about the program and standing up the program at the state and local levels. Therefore, staff office staff costs for two positions in FY 2023 are estimated to be \$117,482. Staff costs for all four positions beginning in FY 2024 are estimated to be \$459,603 in FY 2024 and \$449,277 in FY 2025 and thereafter. These positions are funded with 50 percent general fund and 50 percent nongeneral funds.

In addition, this legislation will also require the development of various reports to ensure efficient management of the program, as well as updates to training manuals, program policies and procedures, at an estimated cost of \$55,000 (\$27,500 general fund / \$27,500 nongeneral funds) starting in FY 2023 when state office staff begin to develop the roll out of the requirements of these bills and continuing through FY 2024, so that staff can ensure all related manuals and policies are up to date.

System Modifications

A one-time cost estimated to be \$610,000 (\$305,000 general fund / \$305,000 nongeneral funds) in FY 2023 is necessary in order to make modifications to the Virginia Case Management System (VaCMS) before the program goes into effect.

Supplemental Nutrition Assistance Program Employment & Training (SNAPET)

SNAPET is an employment and training program designed to assist SNAP recipients with their employment and training needs. The goal of SNAPET is to assist SNAP recipients with opportunities that will lead to paid employment and decrease dependency on assistance programs. There may be a related increase to the SNAPET program; however, those costs are indeterminate at this time, because it is unknown how many released individuals will participate in this voluntary program. SNAPET is currently only available in 39 local departments.

Department of Corrections Costs

The Department of Corrections anticipates that it will need three additional Casework Counselors at a position cost of \$67,363 per staff person to handle this additional workload, for a total cost of \$202,089 general fund beginning in FY 2024. A full year of funding is calculated, even though the legislation would not go into effect until October 2023, in order for DOC staff to become familiar with the program.

In addition, IT systems costs would be required for implementation because the DOC and DSS networks would need to be linked for online applications. The cost is estimated to be \$350,000 general fund in FY 2024. These systems change would include connectivity between the two agencies, data reporting, and change requests for VACORIS.

Any implementation costs for local and regional jails are indeterminate, but would be borne by the responsible localities.

Total Costs

The total estimated cost of this legislation is \$782,482 in FY 2023 (\$391,241 general fund, \$391,241 nongeneral funds), \$4,244,811 (\$1,905,842 general fund, \$1,846,362 nongeneral funds, \$492,608 local match) in FY 2024, and \$3,638,454 (\$1,457,273 general fund, \$1,718,183 nongeneral funds, \$462,999 local match) in FY 2025 and each year thereafter.

9. Specific Agency or Political Subdivisions Affected: Department of Social Services, local department of social services, Department of Corrections, local and regional jails

10. Technical Amendment Necessary: No.

11. Other Comments: None.