

## Department of Planning and Budget 2022 Fiscal Impact Statement

**1. Bill Number:** HB1270-H2

**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 second substitute requires the Department of Social Services (the Department) 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) to allow individuals in the custody of state or local correctional facilities in the Commonwealth to apply for SNAP benefits prior to release from custody and, upon approval of such waiver, shall (i) implement a process by which individuals in the custody of state or local correctional facilities may apply for SNAP benefits prior to release from custody and (ii) distribute to the Department of Corrections and the State Board of Local and Regional Jails information regarding such process.

**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 FY 2025 and each year thereafter.

**8. Fiscal Implications:** The second substitute bill requires the Department of Social Services (the Department) 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) to allow individuals in the custody of state or local correctional facilities in the Commonwealth to apply for Supplemental Nutrition Assistance Program (SNAP) benefits prior to release from custody and, upon approval of such waiver, shall (i) implement a process by which individuals in the custody of state or local correctional facilities may apply for SNAP benefits prior to release from custody and (ii) distribute to the Department of Corrections and the State Board of Local and Regional Jails information regarding such process.

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.); therefore, the state would need a waiver in order to operate a program as described above.

This version of the substitute removes the enactment date of October 1, 2023. Therefore, an implementation date for this service is unknown. The legislation states that DSS shall implement a process upon federal approval of a waiver. According to the agency, it is unable to estimate the timing of waiver approval. It can take years for federal waivers to be approved, but it is also possible that the federal government may quickly approve waivers. Therefore, given the uncertainty surrounding the timing of a waiver approval, this fiscal impact statement assumes that the agency will submit a waiver request in the months following the bill's effective date and waiver approval is assumed to be granted by January 2023, with implementation rollout beginning in FY 2023 and continuing with full implementation of the process in October 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, if the waiver is approved. 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 implementation in October 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 and 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 would need to 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 is assumed to go 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, assuming an October 2023 implementation date. A full year of funding is calculated, even though the process would not be operational 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**

This impact statement assumes that the federal waiver request will be approved on or around January 2023. In the event that the waiver takes longer to approve, this funding will need to be postponed until such time as needed. The total estimated cost of this legislation, based on assumed approval and implementation dates, 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.