

Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: SB 1273 **Patron:** Jordan
Bill Title: Temporary Assistance for Needy Families; Virginia Initiative for Education and Work;
Subsidized Work Experience Program established

Bill Summary: The proposed legislation establishes the Subsidized Work Experience Program (SWEP) for persons who are otherwise eligible for Temporary Assistance for Needy Families (TANF). The bill directs the Department of Social Services (DSS) to conduct SWEP and assign SWEP participants as volunteers to agencies, community organizations, and educational institutions. The bill also directs DSS to promulgate regulations necessary to implement the provisions of SWEP.

Budget Amendment Necessary: No **Items Impacted:** 325 and 334
Explanation: The Governor's introduced budget includes funding to support the cost of this bill. As such, no budget amendment is necessary.

Fiscal Summary: The proposal is estimated to cost of \$440,000 in FY 2026 and \$240,000 in each year thereafter. It would be entirely supported with federal Temporary Assistance for Needy Families (TANF) dollars.

Nongeneral Fund Expenditure Impact:

| <u>Agency</u> | <u>FY2025</u> | <u>FY2026</u> | <u>FY2027</u> | <u>FY2028</u> | <u>FY2029</u> | <u>FY2030</u> |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| DSS (765) | - | \$440,000 | \$240,000 | \$240,000 | \$240,000 | \$240,000 |

Fiscal Analysis: The Full Employment Program (FEP) is a subsidized employment program for recipients of TANF benefits. The program provides participating employers with a \$1,000 per month stipend when a wage is paid. Currently, stipends are not allowed for unpaid work activities. The bill expands FEP to include those participating in unpaid work experience programs or SWEPS. Under the provisions of this bill, eligible volunteer and educational organizations would receive a monthly stipend of \$1,000 for each placement of a program participant for up to six months. Based on the current FEP average of 20 participants per month, DSS anticipates an additional 20 participants per month with the expansion. The total annual cost of employer subsidies is estimated to be \$240,000 annually (20 * \$1,000 per month * 12 months) in FY 2026 and ongoing. In addition, there is a one-time estimated cost of \$200,000 to update the Virginia Case Management System in FY 2026.

Other: None