

**Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement**

Position Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
DSS (765)	-	2.0	2.0	2.0	2.0	2.0
TOTAL	-	2.0	2.0	2.0	2.0	2.0

Fiscal Analysis: This bill proposes a significant expansion to the Percentage of Income Payment Program (PIPP) by expanding eligibility to any retail customer of Dominion Energy or Appalachian Power with a household income at or below 400 percent of the federal poverty guidelines. It is expected that the expansion of this program will impact benefits administration and local staff responsibilities at the Department of Social Services (DSS) and local departments of social services (LDSS).

Benefits Administration

Currently, there are 34,854 participants in the Percentage of Income Payment Program (PIPP). By expanding the eligibility criteria to include retail electric customers with a household income at or below 400 percent of the federal poverty guidelines, DSS estimates that 982,591 more households will be eligible for participation in PIPP.

Presently, 13 percent of qualifying households under the current eligibility criteria choose to participate in PIPP. DSS assumes that the participation rate of eligible households will remain unchanged under the new eligibility criteria. If 13 percent of the 982,591 newly eligible households elect to participate in PIPP, this would mean that the program would serve 127,737 new households. It is unknown what factors may currently be driving the lower participation rate. However, it is possible that under the expanded criteria a higher percentage of eligible households may choose to participate. For illustrative purposes, this analysis will assess costs associated with possible PIPP participation rates between 13 percent and 60 percent (between 127,737 and 589,555 households, respectively).

Currently, the average PIPP benefits per household are \$883 annually. Accordingly, the potential nongeneral fund increase to benefit costs for 127,737 new households is estimated at \$112,791,771 per year, while the potential nongeneral fund increase to benefit costs for 589,555 households is estimated at \$520,577,065 per year.

Revenue to support PIPP benefit payments is generated through the collection of a Universal Service Fee from all Dominion Energy and Appalachian Power Company (APCO) retail customers. In order to sustain the significant increase in benefit payments that is anticipated as a result of this legislation, the PIPP Universal Service Fee would also need to be increased, resulting in additional costs to retail customers.

Local Staff Workload

Additional local departments of social services (LDSS) staff will be required to handle expected increases in administrative workload associated with an increase in PIPP participants. For all new participants, local staff will perform intake, case management, internal monitoring, respond to customer inquiries, provide outreach

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and work directly with Energy Assistance Program vendors regarding billing for services provided to customers.

As stated above, this analysis estimates that between 127,737 and 589,555 new households will be added to the program. Based on existing caseload ratios, it is expected that 103 new full-time (FTE) local staff (127,737 new cases/1,245 average number of cases per worker) and 15 new supervisor/manager FTEs (one supervisor per seven staff for 103 FTEs) would be needed for LDSS to support 127,737 households (118 total positions), and that 474 new local staff FTEs (589,555 new cases/1,245 average cases per worker) and 68 new supervisor/manager FTEs (one supervisor per seven staff for 474 FTEs) would be needed for LDSS to support 589,555 households (542 total positions).

The estimated costs for 118 positions, including salaries, benefits, and onboarding costs, are \$8,774,895 in FY 2027 and \$11,090,626 starting in FY 2028; the estimated costs for 542 total positions are \$38,206,267 in FY 2027 and \$50,941,689 starting in FY 2028. The position costs for FY 2027 are adjusted for three quarters of the year to account for hiring and onboarding delays. These position costs will be supported by PIPP special funds.

Central Office Staff

DSS reports that they will also need two program consultants at the DSS central office to (i) develop and provide training to LDSS staff; (ii) monitor PIPP reports and address issues with local workers; (iii) review existing policy and develop new policy as necessary; (iv) participate in Virginia Case Management System (VaCMS) release testing and readiness calls; (v) work with utilities to clarify information and provide training; (vi) develop workshops for relevant meetings; and (vii) respond to increased calls from customers pertaining to questions and complaints. The cost of salaries, benefits, and non-personal services for both positions, including one-time onboarding costs in FY 2027, is estimated at \$196,477 in FY 2027 and \$251,643 in FY 2028 and subsequent years. The position costs for FY 2027 are adjusted for three quarters of the year to allow for timing of advertisement and hiring. These position costs will be supported by PIPP special funds.

Other: HB884 is similar to portions of HB1002, as introduced.