

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** HB148

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

2. **Patron:** Tata

3. **Committee:** Health and Human Services

4. **Title:** Department of Social Services; human trafficking services.

5. **Summary:** Adds to the responsibilities of the Department of Social Services certain duties related to human trafficking prevention and victim support. The bill requires the Department, among other things, to develop a tiered certification system for programs that provide services to victims of human trafficking, which shall consider (i) whether the program is accredited by a nationally recognized credentialing entity; (ii) the program's services, practices, governance, organizational structure, leadership, financial management, and compliance history; and (iii) any other criteria deemed relevant by the Department. The bill also authorizes the Department, subject to regulations of the Board of Social Services and the availability of state or federal funds, to receive state and federal funds for services to victims of human trafficking; disburse funds through matching grants to local public or private nonprofit agencies to provide service programs for the victims of human trafficking; and develop and implement grant mechanisms for funding such local services.

6. **Budget Amendment Necessary:** Yes.

7. **Fiscal Impact Estimates:** Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	-	-	-
2025	\$688,820	3	General fund
2026	\$649,575	3	General fund
2027	\$649,575	3	General fund
2028	\$649,575	3	General fund
2029	\$649,575	3	General fund
2030	\$649,575	3	General fund

8. **Fiscal Implications:** This bill expands the Department of Social Services' (DSS) responsibilities to include adult human trafficking prevention and support services, which DSS will provide through training, technical assistance, and coordination with other state agencies. In addition, this legislation requires the Department to develop and implement a tiered certification system for programs that provide services to victims of human trafficking.

Central office staffing

In order to implement the tiered certification system, one full-time position would be required. A second full-time position would be needed to administer any state and/or federal grant funding for human trafficking programs. Lastly, a third full-time position would be responsible for developing measurable adult human trafficking outcomes, maintaining databases, and generating and distributing reports. The annual cost for these three positions is \$399,011 in fiscal year (FY) 2025 and \$383,522 in FY 2026 and thereafter. Total costs include salary, fringe benefits, and nonpersonal services. A one-time onboarding cost of \$5,163 per position is funded in FY 2025. As the certification program begins to grow, an additional position may be necessary, but it is currently unknown how fast the program will expand. DSS conservatively estimates that 12 organizations may apply for certification in the first year of implementation.

In addition, two part-time positions will be needed support the additional workload in the finance and procurement. Grants made to non-profit and other governmental organizations will require the development and execution of requests for proposals, contracts, and memorandums of understanding. There will also be an increase in accounts payable and other financial work related to ongoing invoice processing for each of the grantees. The annual cost for each position is based on 1,500 hours of work per year at an hourly rate of \$35. The annual cost for these two positions is estimated to be \$56,517 each year.

The legislation is silent on the Department charging a fee for certification as a human trafficking program. However, current accreditation requirements through the Department of Criminal Justice Services (DCJS) for similar Domestic and Sexual Violence agencies include a \$150 fee application for certification. If similar certification fees are collected at DSS, those fees could at least partially fund the tiered certification system.

Training and other operational costs

New training is needed for this program and would cost \$14,086 to develop and maintain an eLearning course in FY 2025. For SFY 2026 and beyond, \$5,243 has been allocated for revising course information with new and updated content. Training would be focused on providing LDSS staff with education about human trafficking and how to communicate effectively with human trafficking victims.

Additional operational costs include travel and supplies associated with certification visits, training at community-based programs, and building a resources platform. For FY 2025, travel and supplies are estimated at \$7,500 and \$5,000 respectively. Travel costs of \$4,000 and supplies totaling \$1,000 are projected for FY 2026 and beyond.

The legislation does not provide for a new state funding source for grants to local, public or private nonprofit agencies specializing in human trafficking prevention and victim assistance. DSS estimates that approximately \$10 million in new funding for grants to organizations would be helpful to operate a meaningful and effective adult human trafficking prevention and services program. However, the bill specifically limits the availability of such grants to

“the availability of state and federal funds for services to the victims of [...] human trafficking.” Because the bill does not indicate that there will be a new state funding source for this program, this estimate is not included in the costs in the table in #7 above. DSS currently operates a dedicated special fund called the Virginia Sexual and Domestic Violence Prevention Fund, which receives \$2.7 million in general fund revenue annually to issue grant awards for eligible services. A similar dedicated fund for human trafficking could be set up, but the bill does not require this. However, because the bill does not indicate that there will be a new state funding source for this program, no estimate for funding this dedicated fund is included in the costs in the table in #7. The bill does grant DSS the authority to apply for any applicable federal grants that may exist currently or in the future.

The bill requires the promotion of collaboration and coordination with the Department of Criminal Justice Services, the Department of Health, the Department of Housing and Community Development, the Office of the Attorney General, and the Virginia Employment Commission to facilitate an appropriate response to victims of human trafficking. The Department of Health and Department of Housing and Community Development have both indicated no impact. Input from the other agencies was not readily available; however, DSS currently collaborates and coordinates with the listed agencies for victims of domestic violence, so this will likely have minimal impact on other listed agencies.

9. Specific Agency or Political Subdivisions Affected: Department of Social Services, local departments of social services, Department of Criminal Justice Services, Department of Health, Department of Housing and Community Development, Office of the Attorney General, Virginia Employment Commission

10. Technical Amendment Necessary: No.

11. Other Comments: None.