

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
 First Reader

Senate Bill 550
 Finance

(Senator Guzzone, *et al.*)

Food Stamp Program - Minimum Benefit for Disabled Individuals - State Supplement

This bill requires the State to ensure that all households that include a “disabled individual” who is receiving federally funded benefits under the food stamp program receive a minimum benefit of \$30 per month by providing a supplemental benefit if necessary. A “disabled individual” is an individual who receives State or federal benefits for which eligibility is based on specified criteria under the federal Social Security Act or as established by the U.S. Department of Veterans Affairs.

Fiscal Summary

State Effect: General fund expenditures increase by \$5.5 million in FY 2020. Future year expenditures reflect annualization and elimination of one-time only costs. Revenues are not affected.

(\$ in millions)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	5.5	6.3	6.3	6.3	6.3
Net Effect	(\$5.5)	(\$6.3)	(\$6.3)	(\$6.3)	(\$6.3)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: The federal Supplemental Nutrition Assistance Program, formerly known as the Food Stamp Program, provides benefits solely for the purchase of food items to families and individuals who meet income and resource requirements. Program rules and regulations are issued by the federal government. Administrative costs are split equally between the State and federal government. Pursuant to Chapter 696 of 2016, the State provides a supplement to ensure that all households that include an individual who is at least age 62 receive a minimum benefit of \$30 per month. Otherwise, benefits are 100% federally funded.

State Expenditures: General fund expenditures increase by \$5,495,196 in fiscal 2020, which accounts for the bill's October 1, 2019 effective date. This estimate reflects the cost to provide a supplemental State benefit to ensure that all households that include a disabled individual receive a minimum benefit of \$30 per month. The information and assumptions used in calculating the estimate are stated below:

- the average monthly number of eligible recipients (who do not already receive a minimum of \$30 per month) is 39,792;
- the average monthly benefit per eligible household will increase by \$13.25 to ensure a minimum benefit of \$30 per month;
- based on existing caseload data and benefit amounts, this supplement costs \$527,244 per month and \$6,326,928 on an annual basis; and
- an additional \$750,000 in fiscal 2020 only is required for necessary programming costs.

Future year expenditures reflect annualization and assume that caseload trends remain constant.

Additional Information

Prior Introductions: None.

Cross File: HB 226 (Delegate Lopez, *et al.*) - Appropriations.

Information Source(s): Montgomery County; Department of Human Services; Department of Legislative Services

Fiscal Note History: First Reader - February 8, 2019
md/jc

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