

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 698 (Delegate Rosenberg)
 Appropriations

Food Supplement Employment and Training Program - Benefits and Funding

This bill requires the Food Supplement Program in the Department of Human Services (DHS) to provide food supplement employment and training to eligible individuals for whom federal funding is not available. The Governor must include at least \$1.0 million in the annual budget for the Food Supplement Employment and Training Program beginning in fiscal 2022. **This bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: No effect in FY 2021. DHS general fund expenditures increase by at least \$1.0 million annually beginning in FY 2022 due to the mandated appropriation. Federal fund revenues and expenditures increase accordingly, reflecting a 50% match. **This bill establishes a mandated appropriation beginning in FY 2022.**

(\$ in millions)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
FF Revenue	\$0	\$1.0	\$1.0	\$1.0	\$1.0
GF Expenditure	\$0	\$1.0	\$1.0	\$1.0	\$1.0
FF Expenditure	\$0	\$1.0	\$1.0	\$1.0	\$1.0
Net Effect	\$0.0	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.0)

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 (SNAP) provides benefits 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.

SNAP offers funding to States to provide a package of employment and training services to SNAP participants through SNAP Employment and Training (SNAP E&T). SNAP E&T helps SNAP participants gain skills, training, or work experience to increase their ability to obtain regular employment that leads to economic self-sufficiency. In 2016, 10 states were selected to begin developing SNAP E&T programs, including Arizona, Arkansas, California, Maryland, Massachusetts, Michigan, Minnesota, Missouri, North Carolina, and Tennessee.

The Maryland SNAP E&T program (formerly known as the Food Supplement Employment and Training Program or FSET) connects people who receive monthly food supplement benefits to free job-driven training programs in the State. These programs provide services including job readiness activities, support services, job placement, and job retention services. Some programs provide adult basic education, a variety of vocational training, and opportunities for participants to receive certificates or credentials. FSET workforce development services include case management services that are designed to identify and remove certain barriers to employment including childcare, transportation, criminal records, limited education, age, disability, domestic violence, housing issues, lack of employment history, or literacy.

In federal fiscal 2018, DHS partnered with 15 entities to provide E&T services with a budget of \$5,005,026. DHS has since expanded the program, partnering with 21 third-party entities to provide E&T services with a budget of \$9,580,650 in federal fiscal 2019.

To be eligible for SNAP E&T, individuals must be older than age 16, receive monthly food supplement benefits, and be able to work upon completion of the program. Individuals cannot receive Temporary Assistance for Needy Families if they wish to participate. According to DHS, participation decreased between federal fiscal 2018 and 2019 by nearly 50%, from 3,114 to 1,579.

State Fiscal Effect: General fund expenditures increase by at least \$1.0 million in fiscal 2022, and annually thereafter, for the mandated appropriation. As State funds are eligible for a 50% federal match, federal fund revenues and expenditures also increase by \$1.0 million beginning in fiscal 2022. Funding is intended to provide E&T services to additional eligible individuals who are at risk of losing their federal SNAP benefits.

Specifically, a recent federal rule change would result in 13 jurisdictions losing their waivers of able-bodied adults without dependents (ABAWD) work requirements. In the absence of a waiver, an ABAWD must work or participate in an employment and training program at least 20 hours per week in order to maintain their SNAP benefits for longer than 3 months in a 36-month period.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Department of Budget and Management; Department of Human Services; Department of Legislative Services

Fiscal Note History: First Reader - February 26, 2020
mr/jc

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