

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 183

(Chair, Appropriations Committee)(By Request -
Departmental - Human Services)

Appropriations

Finance

Human Services - Food Supplement Program and Human Services Careers
Scholarships - Alterations

This departmental bill makes technical and clarifying changes to the Summer Supplemental Nutrition Assistance Program for Children (Summer SNAP for Children) by (1) removing the requirement that supplemental funds be added to a household account within a specified number of days; (2) altering the date by which counties must submit a program application to the Department of Human Services (DHS); (3) altering the information participating counties must submit on program applications; and (4) altering the dates by which DHS must provide specified information to participating counties. DHS may use Summer SNAP for Children funding to (1) provide funds to a county to supplement benefits and (2) offset administrative costs of the federal Summer Electronic Benefit Transfer (EBT) program. The bill also alters the service obligation for and makes technical and clarifying changes to the Pilot Program for Human Services Careers Scholarship. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: The bill primarily alters the purposes for which existing funds may be used. To the extent administrative changes are required, DHS can handle them with existing budgeted resources.

Local Effect: There is no material impact on local revenues or expenditures as a result of the bill, as discussed below.

Small Business Effect: DHS has determined that this bill has a meaningful impact on small business (attached). The Department of Legislative Services (DLS) disagrees with this assessment as discussed below. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary/Current Law:

Summer Supplemental Nutrition Assistance Program for Children

Under current law, Summer SNAP for Children provides an additional \$30 per child per month during summer months and \$10 in December, while children are not traditionally in school. The provided supplement must be added to the household food supplement program benefit account 15 days after the federally funded benefit is added to the account during summer months and 7 days after the federally funded benefit is added to the account in December. The bill removes the requirement that funds be added to the account within a specified timeframe.

Under current law, counties may apply for matching funds to provide Summer SNAP for Children within the county. To receive funding in the following fiscal year, a county must submit an application to DHS by December 1. The application must include (1) a proposed plan to successfully implement distribution of supplements awarded to the county; (2) a proposed plan to communicate the availability of food supplement program benefits and supplements to eligible families; (3) the process by which the county will evaluate the impact of the supplements; (4) food supplement program eligibility and enrollment rates in the county; (5) certification of the maximum amount of local share funds available; and (6) any other relevant information required by DHS.

Under the bill, an application must be submitted by the date established by DHS and the application must include (1) the number of program participants to be served; (2) the county's commitment to conducting an evaluation to assess the effectiveness of the program; (3) certification of the availability of local share funds; and (4) any other relevant information required by DHS.

The bill also removes the specific dates DHS must inform counties of available funding and the date by which a county must submit an application and instead specifies these actions must take place by dates established by the department. The bill also requires a county to coordinate with DHS to establish a communication plan to inform eligible families of the food supplement program and the supplemental benefits available under Summer SNAP for Children.

Pilot Program for Human Services Careers Scholarship

Chapter 100 of 2023, among other things, established the Pilot Program for Human Services Careers Scholarship to provide assistance to students enrolled in a program at a public higher education institution in Maryland that will enable the student to obtain a

credential or degree necessary to work in or further a career in a targeted position in DHS, which by definition is for specified positions in Baltimore City, Baltimore and Prince George's counties. A recipient of the scholarship must:

- be a Maryland resident or a graduate of a Maryland high school;
- be accepted for admission or currently enrolled at a public higher education institution (either a community college or a senior institution) in the State in a program that will enable the recipient to obtain a credential or degree that is necessary to work in or further a career in a targeted position within DHS;
- sign a letter of intent to perform the service obligation (defined as working in a targeted position for at least five years during the eight-year period immediately following high school graduation) on completion of the recipient's required studies (though the service obligation may include work in a targeted position while a student is attending an eligible institution);
- maintain a cumulative grade point average of at least 2.5 on a 4.0 scale or its equivalent; and
- satisfy any additional criteria established by the Office of Student Financial Assistance (OSFA) within the Maryland Higher Education Commission (MHEC) or DHS.

The bill alters the definition of "service obligation" to mean to work in a targeted position for a minimum *period of time, as specified*, during the eight-year period immediately following *the awarding of a scholarship*. The service obligation must be 15 months for each academic year that the scholarship is awarded, regardless of the credit hours of semesters completed by the recipient during the academic year.

The bill also removes the requirement for a scholarship recipient to sign a letter of intent to perform the service obligation. Instead, a scholarship recipient must enter into a written agreement with MHEC, in the form and manner prescribed by OSFA, to meet the conditions of the scholarship.

Under current law, a scholarship recipient must repay MHEC the funds received if the recipient does not (1) satisfy the degree requirements of the eligible course of study or program or fulfill other requirements or (2) perform the service obligation after graduation.

The bill specifies that the amount to be repaid for failure to perform the service obligation must be (1) equal to the total amount of funds received or (2) as determined by MHEC. The scholarship is nonrefundable. The amount of the scholarship must be reduced if the total amount of scholarship funds and additional resources exceed tuition and mandatory fees.

Background:

Supplemental Nutrition Assistance Program

SNAP assists low-income households in purchasing food. Program rules and requirements are issued by the federal government, while administrative costs are split equally between the State and federal government. Although traditional SNAP benefits are federally funded, the State also provides a supplemental benefit to ensure that households with an individual age 62 or older receive a total benefit of \$40 per month.

Summer SNAP for Children is a State and local supplemental benefit that is provided to some households with school-aged children in select jurisdictions. The program was established in 2019 to address food insecurity during summer and winter school breaks when low-income children do not have access to free school meals.

The federal Consolidated Appropriations Act of 2023 authorized a new nationwide Summer EBT program. Beginning in summer 2024, the benefit will provide children eligible for free and reduced-price meals in the prior school year with a \$40 per month federal benefit. In subsequent years, the monthly benefit will increase with inflation. States must submit an annual state plan to administer the program, the first of which is due by February 15, 2024.

The State Summer SNAP for Children program largely duplicates the new federal benefit with certain exceptions. The State program provides a lower summer benefit (\$30 versus \$40), is available to fewer children, requires local jurisdictions to apply to participate, and requires participating jurisdictions to contribute funding. In addition, the State program supports benefits in December, while the federal program does not.

Pilot Program for Human Services Careers

The Pilot Program for Human Services Careers encourages collaboration between DHS and eligible local school systems (in Baltimore City and Baltimore and Prince George's counties) to assist students in establishing careers in targeted positions within DHS and assist current DHS employees and employees in targeted DHS positions to establish careers in targeted positions. Targeted positions include social workers, child support specialists, family investment specialists, family support workers, and family caseworkers.

OSFA and DHS must publicize the availability of the Pilot Program for Human Services Careers Scholarship, including providing information on it to every employee in a targeted position. DHS must determine the amount of scholarship, to be 100% of the equivalent annual tuition and mandatory fees at an eligible institution.

State Fiscal Effect:

Supplemental Nutrition Assistance Program

The bill authorizes DHS to use Summer SNAP for Children funds included in the State budget to (1) provide matching funds to a county to supplement benefits so that each child in the household receives a combined State and county supplement of at least \$30 per month in summer and \$10 in the month of December; and (2) offset administrative costs of the federal Summer EBT program.

Both the fiscal 2023 and 2024 budgets included \$5.0 million for Summer SNAP for Children. Since administrative costs for SNAP are split equally between the State and federal government, the fiscal 2025 budget includes \$5.8 million in general funds and \$5.8 million in federal funds for the Summer EBT program to be used only for administrative expenses for the program. Funds not expended for administrative expenses may not be transferred by budget amendment or otherwise to any other fund and must revert to the general fund. The \$5.8 million in general funds is required to cover the State's share of administrative costs and secure federal funding for the federal Summer EBT program. According to DHS, administrative costs include personnel, equipment, mailing, EBT cards, and system development. DHS anticipates that \$60.0 million in federal direct Summer EBT benefits in fiscal 2025 will provide an estimated 500,000 school-aged Maryland children with \$40 per month during summer months only.

It is unclear the extent to which the December benefit will be provided under the State Summer SNAP for Children program and what, if any, participation there will be from counties. DHS advises that, as of March 2024, local counties have not expressed immediate interest to provide matching funds for the December supplemental benefit. Under current law, counties must submit an application to DHS by December 1 to receive State supplemental benefit funds in the following fiscal year. Since counties have not expressed interest to provide matching funds prior to the December 1 deadline, absent the bill, any funding available will not be available to counties for provide Summer SNAP for Children benefits.

Pilot Program for Human Services Careers Scholarship

DHS and MHEC can implement the bill's changes to the Pilot Program for Human Services Careers Scholarship with existing budgeted resources.

Local Fiscal Effect: Under the Summer SNAP for Children program, local jurisdictions must apply to participate and contribute funding based on the local cost-share formula in the public school construction program. The level of funding and local cost-share has generally limited participation among jurisdictions and the number of children receiving

benefits. In fiscal 2023, 15 jurisdictions participated but only 4 planned to serve all eligible children.

There is no impact on county revenues or expenditures as a result of the bill. However, DHS advises that counties have not expressed immediate interest in participating in Summer SNAP for Children for fiscal 2025 prior to the December 1 deadline.

Under the federal Summer EBT program, local jurisdictions are not required to provide matching funds. Given the implementation of Summer EBT, it is unclear whether the December benefit will be provided under the State Summer SNAP for Children program or if any funds will be available to provide matching funds to counties.

Small Business Effect: DHS advises that Summer SNAP benefits would have a meaningful impact on small businesses in participating counties. DLS disagrees and notes that since there is no additional Summer SNAP for Children funding required by the bill, there is no additional impact to small businesses in the State as a result of the bill.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 213 (Chair, Finance Committee)(By Request - Departmental - Human Services) - Finance.

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

Fiscal Note History: First Reader - January 22, 2024
rh/jc Third Reader - March 20, 2024
Revised - Amendment(s) - March 20, 2024
Revised - Clarification - May 2, 2024
Revised - Budget Information - May 2, 2024

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Human Services - Food Supplement Program (Summer SNAP for Children Act)

BILL NUMBER: HB 183

PREPARED BY: Emily Bauer

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

Summer SNAP benefits could have meaningful economic impact on Maryland small businesses that are established in participating jurisdictions. Additional SNAP benefits would be spent at local businesses and could boost economic growth in those areas.