

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 213

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

Finance

Human Services - Food Supplement Program (Summer SNAP for Children Act)

This departmental bill increases, from \$200,000 to \$5.0 million, the amount the Governor must include in the annual budget bill for the Summer Supplemental Nutrition Assistance Program for Children program (Summer SNAP for Children). The bill also makes technical and clarifying changes to the program 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.

Fiscal Summary

State Effect: General fund expenditures increase by as much as \$4.8 million annually beginning in FY 2026 as a result of the increased mandate, as discussed below. However, the Governor's proposed FY 2025 budget includes \$9.0 million for the program. **This bill increases a mandated appropriation beginning in FY 2026.**

Local Effect: There is no material impact on county 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.

Analysis

Bill Summary/Current Law: 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) the process by which the county will evaluate the impact of the supplements; (4) certification of the availability of local share funds; and (5) 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.

Background: SNAP assists low-income households in purchasing food. Program rules and requirements are issued by the 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 Electronic Benefit Transfer (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.

State Fiscal Effect: The bill increases the mandated appropriation the Governor must provide for Summer SNAP for Children from \$200,000 to \$5.0 million. This increased mandate is consistent with the level of funding provided for the program in recent years; both the fiscal 2023 and 2024 budgets included \$5.0 million for Summer SNAP for Children. To the extent that the program otherwise would not be funded at the level of the bill's increased mandated appropriation, general fund expenditures increase by as much as \$4.8 million annually beginning in fiscal 2026.

The Governor's proposed fiscal 2025 budget includes \$9.0 million in general funds for Summer SNAP for Children. DHS advises that \$9.0 million 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 \$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.

To the extent that the full \$9.0 million included in the Governor's proposed fiscal 2025 budget is intended for administrative costs under the federal Summer EBT program, 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.

DLS advises that, under current law, mandated funding for the Summer SNAP for Children program must be used to 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. It is unclear if mandated funding can be used to fund administrative costs for Summer EBT rather than to provide matching funds to participating counties.

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.

The bill increases the mandated amount the Governor must provide for the Summer SNAP for Children program to \$5.0 million per year, the level of funding provided in recent fiscal years, and makes technical programmatic changes. Thus, there is no material impact on county revenues or expenditures as a result of the bill.

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 an increased Summer SNAP mandate would have a meaningful impact on small businesses in participating counties. DLS disagrees and notes that since the increased mandated appropriation required by the bill matches program funding since fiscal 2023, 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: HB 183 (Chair, Appropriations Committee)(By Request - Departmental - Human Services) - Appropriations.

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

Fiscal Note History: First Reader - January 22, 2024
rh/jc

Analysis by: Amberly E. Holcomb

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

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

BILL NUMBER: SB 213

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.