

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 35

(Senator McCray)

Budget and Taxation

Appropriations

Supplemental Nutrition Assistance Program - State Supplement

This bill lowers the age, from 62 to 60, that an individual must be for their household to receive the State supplemental benefit under the Supplemental Nutrition Assistance Program (SNAP). The bill also increases the supplemental benefit to ensure that households with an individual age 60 or older receive a total benefit of \$50 per month.

Fiscal Summary

State Effect: General fund expenditures increase by \$4.2 million in FY 2025 to expand eligibility and increase the minimum benefit for the State supplemental benefit; the FY 2025 budget includes \$4.2 million in general funds, contingent on enactment of House Bill 666 or Senate Bill 35 of 2024. General fund expenditures increase by an estimated \$3.9 million annually beginning in FY 2026, as discussed below. Revenues are not affected.

(\$ in millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	4.2	3.9	3.9	3.9	3.9
Net Effect	(\$4.2)	(\$3.9)	(\$3.9)	(\$3.9)	(\$3.9)

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: SNAP is a federally funded benefit that helps low-income households purchase food. Program rules and requirements are issued by the federal government, while administrative costs are split equally between the State and federal government. Participants must meet income and resource requirements. The minimum federal SNAP benefit is \$23 per month. In fiscal 2024, the average SNAP benefit provided to Maryland households was approximately \$307 per month.

Chapter 696 of 2016 established a State supplemental benefit for households with a member who is at least 62 years old to ensure that these households receive at least \$30 per month. Chapter 324 of 2022 increased the benefit to ensure that these households receive at least \$40 per month.

The federal Families First Coronavirus Response Act of 2020 authorized an increase in SNAP benefits to the maximum allowable level for a household size (known as emergency allotments). This action significantly increased average benefits per case in Maryland and effectively suspended the State supplemental benefit from April 2020 through February 2023. The Department of Human Services (DHS) resumed issuing the State supplemental benefit in March 2023.

In December 2023, there were approximately 26,652 monthly recipients of the State supplemental benefit for households with a member who is at least age 62. An average monthly payment of \$16.42 was distributed to ensure these households received a total benefit of \$40 per month.

State Fiscal Effect: The fiscal 2025 budget includes \$4.2 million in general funds for the SNAP supplemental benefit, contingent on enactment of House Bill 666 or Senate Bill 35 of 2024 expanding eligibility and increasing the minimum benefit for the program. As the bill satisfies this contingency, general fund expenditures increase by \$4.2 million in fiscal 2025. Funds not expended for this purpose may not be transferred by budget amendment or otherwise to any other purpose and must revert to the general fund.

Under the bill, general fund expenditures increase to ensure that all households that include an individual who is at least age 60 receive a total SNAP benefit of \$50 per month.

DHS advises that, as of December 2023, there were approximately 29,998 households with a member who is at least age 60 that received a SNAP benefit of less than \$50 per month. To ensure a total benefit of \$50 per month, the State supplemental benefit would need to provide an average of \$25.34 per month to these households at a total annual cost of \$9.1 million.

The annual cost to provide the current State supplemental benefit (\$40 per month) to households with a member who is at least age 62 is \$5,252,052. Thus, the net annual cost to provide the State supplemental benefit to ensure 29,998 eligible households receive a total SNAP benefit of \$50 per month is \$3.9 million. Given the bill's October 1, 2024 effective date, the net annual cost is an estimated \$2.9 million in fiscal 2025, increasing to \$3.9 million in fiscal 2026 and thereafter. To the extent that the number of qualified households is higher or lower, general fund expenditures increase or decrease accordingly.

As noted above, the fiscal 2025 budget includes \$4.2 million in general funds for the SNAP supplemental benefit.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 957 and HB 456 of 2022.

Designated Cross File: HB 666 (Delegate Shetty, *et al.*) - Appropriations.

Information Source(s): U.S. Department of Agriculture; Department of Human Services; Department of Legislative Services

Fiscal Note History: First Reader - January 16, 2024
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