

Department of Legislative Services  
 Maryland General Assembly  
 2024 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 718  
 Appropriations

(Delegate J. Long, *et al.*)

Supplemental Nutrition Assistance Program - Seniors - Minimum Benefit

This bill requires the State to provide a benefit of at least \$40 per month under the Supplemental Nutrition Assistance Program (SNAP) to a household that includes an individual who (1) is at least 65 years old and (2) has a gross annual household income that does not exceed \$50,000.

Fiscal Summary

**State Effect:** General fund expenditures increase by an estimated \$66.9 million in FY 2025 to provide a new State supplemental SNAP benefit and for staff and system upgrades, as discussed below. Future years reflect annualization. Revenues are not affected. **This bill establishes an entitlement program beginning in FY 2025.**

(\$ in millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	66.9	86.3	87.1	88.0	88.8
Net Effect	(\$66.9)	(\$86.3)	(\$87.1)	(\$88.0)	(\$88.8)

*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.

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. Thus, the State currently provides up to \$17 per month to these households to ensure that their combined federal and State benefit is at least \$40.

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.

Between July and November 2023, there were approximately 29,368 average monthly recipients of the State supplemental benefit for households with a member who is at least age 62. An average monthly payment of \$15.30 was distributed to ensure these households received a total benefit of \$40 per month.

**State Fiscal Effect:** Under the bill, general fund expenditures increase to ensure that all households that include an individual who is at least 65 years old and has a gross annual household income of up to \$50,000 receive a SNAP benefit of at least \$40 per month.

As noted above, SNAP households with an individual age 62 or older currently receive a benefit that brings the combined State and federal benefit to \$40 per month. Based on available census data, DHS estimates that there are approximately 142,360 households in the State that (1) *do not* currently receive SNAP benefits; (2) include an individual who is at least 65 years old; and (3) have a gross annual household income at or below \$50,000. To provide a \$40 monthly supplemental benefit to these households, general fund expenditures increase by \$51.2 million in fiscal 2025, which reflects the bill's October 1, 2024 effective date. General fund expenditures increase by \$68.3 million in fiscal 2026 and annually thereafter to reflect provision of a full year of benefits. To the extent that the number of qualified households is higher or lower, general fund expenditures increase or decrease accordingly.

This analysis does not assume that DHS is required to provide at least a \$40 State supplement to current SNAP households who receive up to a \$17 State supplement under the current benefit.

DHS advises that existing staff cannot absorb the additional responsibilities incurred by the bill due to the extensive number of eligible households, all of which are not currently enrolled in SNAP. Therefore, DHS general fund expenditures increase by up to an additional \$15.6 million in fiscal 2025, which accounts for the bill’s October 1, 2024 effective date. This estimate reflects the cost of hiring 239 family investment specialist case managers and 32 family investment specialist supervisors to administer the monthly benefit for eligible households. It includes salaries, fringe benefits, one-time start-up costs, ongoing operating expenses, one-time system upgrades, and annual maintenance costs. The information and assumptions used in calculating the estimate are stated below:

- 142,360 households are eligible to receive the \$40 monthly supplemental benefit under the bill;
- the monthly cost of the supplemental benefit for these households is \$5.7 million and the annual cost is \$68.3 million (\$51.2 million in fiscal 2025 to reflect the bill’s October 1, 2024 effective date);
- family investment specialist case managers manage an average of 595 cases (239 case managers will manage an additional 142,360 cases under the bill);
- family investment specialist supervisors oversee an average of 7.4 case managers (32 supervisors will oversee 239 case managers under the bill);
- existing software systems will require a one-time update costing approximately \$67,200;
- existing software systems will require annual maintenance costs of approximately \$6,720; and
- as individuals eligible for the new benefit are not eligible for SNAP, the benefit and associated administrative costs require 100% general funds.

	<u><b>FY 2025</b></u>	<u><b>FY 2026</b></u>
Positions	271.0	-
Salaries and Fringe Benefits	\$13,613,859	\$17,698,184
One-time Software Update	67,200	-
Annual Software Maintenance	-	6,720
Supplemental Benefit	51,249,600	68,332,800
Operating Expenses	<u>1,966,376</u>	<u>295,607</u>
<b>Total FY State Expenditures</b>	<b>\$66,897,035</b>	<b>\$86,333,311</b>

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

To the extent enrollment in the new benefit is lower, a lesser number of personnel are required, and expenditures are reduced accordingly.

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### **Additional Information**

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

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - February 18, 2024  
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