

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1273 (Delegate Parrott, *et al.*)
 Appropriations

Food Stamp Program - Time Limit Waiver - Prohibition

This bill prohibits the State from applying for or implementing a federal waiver of the time limit on the receipt of benefits under the food stamp program by an individual who is an able-bodied adult without dependents (ABAWD) and does not meet all applicable work requirements.

Fiscal Summary

State Effect: Federal fund revenues decrease by \$15.6 million in FY 2019 and by \$20.7 million annually thereafter; federal fund expenditures decrease correspondingly. General fund expenditures increase by \$45,200 in FY 2019 only for computer programming costs.

(\$ in millions)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
FF Revenue	(\$15.6)	(\$20.7)	(\$20.7)	(\$20.7)	(\$20.7)
GF Expenditure	\$0.0	0	0	0	0
FF Expenditure	(\$15.6)	(\$20.7)	(\$20.7)	(\$20.7)	(\$20.7)
Net Effect	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

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), formerly known as the Food Stamp Program, provides benefits solely for the

purchase of food items to families and individuals who meet income and resource requirements. Benefits are 100% federally funded, while administrative costs are split equally between the State and federal government. Program rules and regulations are issued by the federal government.

The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 limited the length of time ABAWDs could receive SNAP benefits (three months in a three-year period) if not working, participating in, or complying with the requirements of a work program for 20 hours or more per week. Exemptions from this requirement are available for individuals (1) younger than age 18; (2) age 50 or older; (3) caring for a child or incapacitated household member; (4) medically certified as physically unfit for employment or pregnant; or (5) already exempt from SNAP general work requirements. States may also exempt 15% of individuals from this requirement. States are able to request a waiver for the ABAWD provision for areas with an unemployment rate greater than 10% or for areas with insufficient jobs, based on specified evidence.

During and since the recession, many states have operated with a statewide waiver of the ABAWD time limits for SNAP receipt, including Maryland. As the recovery has continued, more states have stopped receiving a waiver. Maryland's statewide SNAP waiver of the ABAWD time limits expired December 31, 2015. States may continue to receive local waivers.

According to information prepared in response to the 2017 *Joint Chairmen's Report*, the Department of Human Services (DHS) indicates that the following jurisdictions have waivers: Baltimore City and Allegany; Caroline; Cecil; Dorchester; Garrett; Harford; Kent; Queen Anne's; Somerset; Talbot; Wicomico; and Worcester counties. DHS reports that between October 2016 and September 2017, 11,211 individuals became ineligible for SNAP benefits due to ABAWD noncompliance.

State Fiscal Effect: Federal fund revenues decrease by \$15,553,098 in fiscal 2019, which accounts for the bill's October 1, 2018 effective date, and by \$20,737,464 annually thereafter; federal fund expenditures decrease correspondingly. This estimate assumes 14,282 individuals will have their cases closed due to noncompliance and no longer be eligible for SNAP benefits. It also assumes an average monthly SNAP benefit of \$121. The estimate is based on detailed information available in 2017 regarding the potential population of ABAWDs in jurisdictions with and without waivers and the number of individuals in waiver jurisdictions who were subsequently deemed ineligible for benefits due to ABAWD time limits. It also takes into account the overall decrease of SNAP recipients.

In addition, general fund expenditures increase by \$45,200 in fiscal 2019 only for computer modifications.

Additional Information

Prior Introductions: HB 533 of 2017 received an unfavorable report from the House Appropriations Committee. HB 1449 of 2016 received an unfavorable report from the House Appropriations Committee.

Cross File: SB 513 (Senator Waugh) - Finance.

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

Fiscal Note History: First Reader - February 13, 2018
md/jc

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