

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 456

Appropriations

(Delegates Valentino-Smith and Ruth)

Finance

Supplemental Nutrition Assistance Program - State Supplement

This bill increases the State supplemental benefit under the Supplemental Nutrition Assistance Program (SNAP) to ensure that households with an individual age 62 or older receive a total benefit of \$40 per month.

Fiscal Summary

State Effect: General fund expenditures increase by an estimated \$2.5 million in FY 2023 to increase the State supplemental benefit, as discussed below. The Governor's proposed FY 2023 budget includes funding for a benefit of at least \$40 per month. Future years reflect annualization. Revenues are not affected.

| (\$ in millions) | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|------------------|---------|---------|---------|---------|---------|
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| GF Expenditure | 2.5 | 3.3 | 3.3 | 3.3 | 3.3 |
| Net Effect | (\$2.5) | (\$3.3) | (\$3.3) | (\$3.3) | (\$3.3) |

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.

Chapter 696 of 2016 established a 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.

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. The availability of emergency allotments effectively suspended the State supplemental SNAP benefit as no households received less than \$30 per month. Maryland has been approved for emergency allotments through February 2022, with additional extensions approved on a month-to-month basis.

State Fiscal Effect: Under the bill, general fund expenditures increase to provide a \$40 monthly State supplemental benefit.

Prior to the COVID-19 pandemic and the introduction of federal emergency allotments, the last month for which the State supplemental benefit was paid was March 2020. A total of 25,099 recipients received the benefit in that month. SNAP enrollment has increased significantly through the pandemic, and it is unclear how many recipients will qualify once the State resumes the benefit.

The Governor's proposed fiscal 2023 budget includes funding to support an average monthly number of 27,363 recipients. Based on this budgeted enrollment, general fund expenditures increase by an estimated \$3,283,560 annually under the bill.

General fund expenditures increase by \$2,462,670 in fiscal 2023, which accounts for the bill's October 1, 2022 effective date. This estimate reflects the cost of increasing the benefit to ensure that specified households receive a benefit of \$40 per month. To the extent that enrollment is higher or lower, general fund expenditures increase or decrease accordingly. To the extent that Maryland's federal emergency allotments are extended, the timing of expenditures may be deferred until such allotments end.

The Governor's proposed fiscal 2023 budget includes funding to support a discretionary enhancement to the State supplemental benefit in fiscal 2023. Funding is provided to ensure a benefit of at least \$40 per month.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 957 (Senator Waldstreicher) - Rules.

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

Fiscal Note History: First Reader - February 4, 2022
fnu2/jc Third Reader - March 24, 2022
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