

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1027 (Delegate Solomon)
 Appropriations

Food Supplement Benefits - Students - Eligibility (SNAP for Students)

This bill requires the Department of Human Services (DHS) to establish a new State Supplemental Nutrition Assistance Program (SNAP) benefit for a student who (1) is a resident of the State; (2) is enrolled in an institution of higher education for at least 15 credit hours per year; and (3) meets the “eligible income threshold.” Beginning in fiscal 2025, the Governor must include in the annual budget bill an appropriation in an amount sufficient to reimburse DHS for expenditures made to provide benefits in the second prior fiscal year. The benefit is contingent on the expiration of the expanded student eligibility for benefits under the federal SNAP. If the expanded student eligibility expires due to the end of the COVID-19 public health emergency (PHE) and no substantially similar federal legislation is enacted, the benefit must take effect within 30 days after the expiration. DHS must notify the Department of Legislative Services within 5 days after the expiration of the expanded student eligibility benefit under SNAP. **The bill takes effect June 1, 2022, subject to a specified contingency.**

Fiscal Summary

State Effect: DHS general fund expenditures increase by \$23.2 million annually beginning as early as FY 2023 to provide a State SNAP benefit for students. Revenues are not affected. To the extent the PHE is extended, FY 2023 expenditures are reduced. **This bill establishes a mandated appropriation beginning in FY 2025.**

(\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	23.2	23.2	23.2	23.2	23.2
Net Effect	(\$23.2)	(\$23.2)	(\$23.2)	(\$23.2)	(\$23.2)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Eligible income threshold” means, based on the income of a student or the student’s family, (1) a student’s expected family contribution (EFC) is \$0 on the most recent free application for Federal Student Aid or (2) a student is eligible to participate in a State or federally financed work study program.

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 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.

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 March 2022, with additional extensions approved on a month-to-month basis.

In general, students enrolled at least half-time in an institution of higher education are not eligible for SNAP unless they meet certain exemptions. Only students who *participate* in state or federally funded work study are eligible to receive SNAP benefits, including emergency allotments. However, the federal Consolidated Appropriations Act of 2021 temporarily expanded student eligibility for SNAP from January 16, 2021. Under this expansion, students are eligible for SNAP benefits if they (1) are *eligible* to participate in state or federally financed work study during the regular school year, as determined by the institution of higher education or (2) have an EFC of \$0 in the current academic year, as determined after applying for financial aid. The temporary student exemptions remain effective until the first recertification of a household beginning no earlier than 30 days after the COVID-19 PHE is lifted.

State Fiscal Effect: The bill is intended to make the temporary federal expanded student eligibility for SNAP permanent for Maryland students once the federal expansion expires.

DHS advises that approximately 9,000 participants will be eligible for an average monthly benefit of \$215 under the bill. Thus, DHS general fund expenditures increase by

\$1.94 million per month and \$23.2 million on an annual basis to provide a State SNAP for students benefit.

The current COVID-19 PHE is set to expire April 16, 2022, unless extended by the U.S. Secretary of Health and Human Services. Should the PHE expire on that date, expanded student eligibility would continue through May 16, 2022, triggering the State benefit under the bill to take effect June 15, 2022. Under this scenario and assuming payment of benefits effective July 1, 2022, DHS general fund expenditures increase by \$23.2 million in fiscal 2023. Funding for the program is discretionary through fiscal 2024. This estimate does not reflect the cost of any additional staff DHS may need to provide the State benefit under the bill.

Beginning in fiscal 2025, the Governor must include in the annual budget bill an appropriation in an amount sufficient to reimburse DHS for expenditures made to provide benefits in the second prior fiscal year (fiscal 2023). This analysis assumes that general fund expenditures continue at approximately \$23.2 million annually to provide benefits as required under the bill.

To the extent that the COVID-19 PHE is extended, general fund expenditures in fiscal 2023 are reduced. To the extent that federal legislation is enacted to expand SNAP student eligibility, the contingency for the State benefit is not met. Instead, a federal benefit will be provided and any associated administrative costs will be eligible for a 50% federal match.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 921 (Senator Elfreth) - Rules.

Information Source(s): Maryland Higher Education Commission; Department of Budget and Management; Department of Human Services; Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2022
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