

Department of Legislative Services  
Maryland General Assembly  
2024 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 407  
Appropriations

(Delegate Kaufman, *et al.*)

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

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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 2027, 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 bill takes effect July 1, 2024.**

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**Fiscal Summary**

**State Effect:** DHS general fund expenditures increase by a significant but indeterminate amount beginning FY 2025 to provide a State SNAP benefit to students, as discussed below. Revenues are not affected. **This bill establishes a mandated appropriation beginning in FY 2027.**

**Local Effect:** None.

**Small Business Effect:** None.

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**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.

Uncodified language specifies that the State SNAP benefit for students is contingent on expiration of expanded student eligibility for benefits under federal SNAP, as modified by

the federal Consolidated Appropriations Act, 2021. The Department of Legislative Services (DLS) advises that federal expanded student eligibility for SNAP expired on July 1, 2023; therefore, the State SNAP benefit for students takes effect July 1, 2024, under the bill.

## **Current Law:**

### *Supplemental Nutrition Assistance Program Benefits*

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.

Chapters 635 and 636 of 2019 established Summer SNAP for Children, a State and local supplemental benefit that is provided to some households with school-aged children in select jurisdictions to address food insecurity during summer and winter school breaks when low-income children do not have access to free school meals.

### *Student Supplemental Nutrition Assistance Program Benefits*

State regulations, in accordance with federal law, set forth the eligibility requirements for student SNAP benefits. In general, students enrolled at least half-time in an institution of higher education are not eligible for SNAP unless they meet certain exemptions. Specifically, a student must meet at least one of the following requirements:

- work at least 20 hours per week and receive specified minimum earnings;
- *participate* in a State or federally financed work study program;
- be responsible for the care of a child younger than age 6;
- be responsible for the care of a child aged 6 to 11, if the local department has determined that adequate child care is not available;
- receive Temporary Cash Assistance benefits;
- participate in specified employment/training programs at an institution of higher education; or

- be a single parent enrolled full-time in an institution of higher education and responsible for the care of a child younger than age 12, as specified.

The federal Consolidated Appropriations Act of 2021 temporarily expanded student eligibility by providing two new types of exemptions for SNAP beginning January 16, 2021. Under this expansion, students were eligible for SNAP benefits if they (1) were *eligible* to participate in a state or federally financed work study during the regular school year, as determined by the institution of higher education or (2) had an EFC of \$0 in the current academic year, as determined after applying for financial aid. The federal Consolidated Appropriations Act of 2023 terminated the temporary expansion of student eligibility for SNAP effective July 1, 2023.

**State Fiscal Effect:** The bill is intended to make the temporary federal expanded student eligibility for SNAP a permanent State benefit for Maryland students.

#### *Cost of State Supplemental Nutrition Assistance Program Benefit for Students*

In response to similar legislation in prior years, DHS estimated that between 4,700 and 9,000 participants were likely to *receive* a State SNAP benefit for students. However, DHS and the Maryland Higher Education Commission now estimate that 32,744 students may be *eligible* to receive a State SNAP benefit for students under the bill.

The current maximum SNAP benefit for a household of one is \$291 per month. To the extent that all 32,744 eligible students receive the maximum SNAP benefit, DHS advises that general fund expenditures increase by *as much as* \$114.3 million annually beginning in fiscal 2025 to provide the monthly benefit. This estimate does not reflect additional administrative costs (discussed below).

To the extent fewer students receive benefits, or students receive a monthly amount less than the maximum benefit, general fund expenditures increase by a lesser amount. *For illustrative purposes only*, for every 1,000 students that receive the maximum benefit for a household of one, general fund expenditures increase by \$3.5 million annually to provide the benefit.

The number of students in the State who received SNAP benefits under the temporary federal eligibility expansion is unknown. Additionally, DLS notes that, although 32,744 students may be *eligible* to receive SNAP benefits under the bill, it cannot be readily determined how many students may ultimately *receive* the benefit. Further, DLS cannot estimate how many students *eligible* to receive monthly benefits under the bill may *currently* receive traditional SNAP benefits.

### *Administrative Costs*

DHS advises that, irrespective of the number of individuals that enroll in a State SNAP benefit for students, one-time costs of approximately \$49,800 in fiscal 2025 only are necessary to update the department's software system. Ongoing annual maintenance costs of approximately \$2,400 are necessary beginning in fiscal 2026.

DHS advises that exiting staff cannot absorb the additional responsibilities incurred by the bill due to the number of individuals that may be eligible to receive a State SNAP benefit for students. DHS notes that (1) family investment specialist case managers manage an average of 595 cases and (2) family investment specialist supervisors oversee an average of 7.6 case managers. Therefore, for every 595 students that enroll, one case manager will be required at an annual cost of approximately \$72,607. For every 4,600 students that enroll, one supervisor will be required at an annual cost of approximately \$87,392 each year.

### *Mandated Appropriation*

Although funding for the program is discretionary through fiscal 2026, beginning in fiscal 2027, the Governor must include in the annual budget bill an appropriation sufficient to reimburse DHS for expenditures made to provide benefits in the second prior fiscal year (fiscal 2025).

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## **Additional Information**

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See HB 452 of 2023 and SB 921 and HB 1027 of 2022.

**Designated Cross File:** None.

**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 11, 2024  
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