

**DATE:** March 10, 2020

**BILL NUMBER:** HB 1532

**COMMITTEE:** Appropriations

**BILL TITLE:** Human Services Food-Supplement Program Eligibility (Protect Against Hunger Act)

**DHS POSITION:** Letter of Information

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The Department of Human Services (the Department) respectfully offers this letter of information regarding House Bill 1532 (HB 1532). As drafted, HB 1532 would create a state-administered and funded Supplemental Nutrition Assistance Program (SNAP) that follows federal SNAP rules and regulations pre-July 1, 2019. Customers who lose federal SNAP eligibility or are ineligible for federal SNAP (eligibility includes eligibility for deductions that can potentially increase a household's monthly benefit amount) due to federal rules implemented post July 1, 2019, would then continue eligibility through the State SNAP or be determined eligible through the State SNAP requirements.

This bill carries a heavy financial and administrative burden. There is one federal rule that was recently finalized and will be nationally implemented April 1, 2020 and two recently published proposed federal rules that also impact SNAP eligibility.

The U.S. Department of Agriculture (USDA) recently finalized a rule that impacts a specific SNAP recipient population. On April 1, 2020, 13 of Maryland's jurisdictions will lose their Able Bodied Adults without Dependents (ABAWD) time-limit waivers due to the finalization of a federal rule changing state waiver requirements. The FFY 2019 monthly average of SNAP recipients in Maryland is 619,737. It is estimated that 23,664 Marylanders will be subject to the new requirements, and an estimated 3.8% (less than 4%) of Maryland's SNAP population would be potentially impacted by this rule. It is important to note that, when determining who might be impacted, a subset of the ABAWD population should qualify for an exception to the rule change due to being pregnant or having a physical or mental disability.

Should this bill pass, those 13 jurisdictions would continue to be waived under the new Maryland SNAP, and ABAWDs in those 13 jurisdictions would be paid state SNAP benefits without having to meet the federal work requirements. The Department estimates that the fiscal impact for will be \$39 million in fiscal year 2021 and \$52 million thereafter.

Additionally, the USDA issued a proposed rule that would eliminate broad based categorical eligibility (BBCE) for SNAP. BBCE allows states to increase the gross income limit for SNAP households without an elderly or disabled member to 200 percent of the federal poverty guidelines, rather than the federally required 130 percent. Second, it allows us to eliminate an asset test for SNAP eligibility. At this time, we are not able to determine the number of current SNAP recipients who would lose benefits with the elimination of BBCE as we do not currently collect household assets, which would be a new factor in SNAP eligibility determination.

Another proposed federal rule that would impact benefit amounts for SNAP customers is the change in calculating the Standard Utility Allowance (SUA). Depending on which federal methodology is finalized,



Maryland's SUA amount may decrease, which could potentially decrease a household's SNAP benefit amount. This bill would require State funds to pay for the difference between the SNAP benefit amount under the current federal SUA calculation and the federal SUA calculation which was allowed pre-July 1, 2019.

The fiscal impact associated with adjusting the SNAP program to reflect pre-July 1, 2019 federal rules is meaningful. As stated above, the funds needed to address the potential decrease in benefits to the ABAWD population would be \$39 million in fiscal year 2021 and \$52 million thereafter. This amount does not address the other two proposed federal rules.

The Department appreciates the opportunity to submit this letter regarding HB1532 and respectfully requests that this information be considered during the Committee's deliberations.