

LARRY HOGAN Governor

BOYD K. RUTHERFORD Lieutenant Governor DAVID R. BRINKLEY Secretary

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HOUSE BILL 1027 Food Supplement Benefits – Students – Eligibility (SNAP for Students) (Solomon)

STATEMENT OF INFORMATION

DATE: March 10, 2022

COMMITTEE: House Appropriations

SUMMARY OF BILL: HB 1027 establishes a food supplement program for a resident of Maryland who is enrolled at an institution of higher education, if the student's expected family contribution is \$0 on the Free Application for Federal Student Aid (FASA) and the student is eligible to participate in a State or federally financed work study program. Beginning FY 2025, funding is required in an amount sufficient to reimburse the Department of Human Services for expenditures made in the second prior fiscal year. Uncodified sections make the effect of the legislation contingent on the expiration of the expanded student eligibility for benefits under the federal Supplemental Nutrition Assistance Program, as modified by the Consolidated Appropriations Act, 2021; and the bill takes effect 30 days after the expiration of federal benefits.

EXPLANATION: The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the estimated \$23 million entitlement spending that impacts the FY 2024 and subsequent budgets.

The FY 23 Budget allocation contains \$10 million in the Dedicated Purpose Account for the Maryland Food Bank. Further, \$2 million is allocated to increase the minimum monthly State supplement for SNAP from \$30 to \$40.

DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which will require spending allocations for FY 2024 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2022.

Changes to the Maryland Constitution in 2020 provide the General Assembly with additional budgetary authority, beginning in the 2023 Session, to realign total spending by increasing and adding items to appropriations in the budget submitted by the Governor. The legislature's new budgetary power diminishes, if not negates, the need for mandated appropriation bills.

Fully funding the implementation of the Blueprint for Maryland's Future (Kirwan) will require fiscal discipline in the years ahead, if the State is to maintain the current projected structural budget surpluses. Mandated spending increases need to be reevaluated within the context of this education funding priority and the Governor's tax relief proposals.

Economic conditions remain precarious as a result of COVID-19. High rates of inflation and workforce shortages may be short lived or persist, thereby impacting the Maryland economy. While current budget forecasts project structural surpluses, the impact of the ongoing COVID-19 pandemic continues to present a significant budgetary vulnerability. The Department continues to urge the General Assembly to focus on maintaining the structural budget surplus.

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