



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

HOUSE BILL 456 Supplemental Nutrition Assistance Program - State Supplement (Valentino-Smith and Ruth)

STATEMENT OF INFORMATION

DATE: February 8, 2022

COMMITTEE: House Appropriations

SUMMARY OF BILL: HB 456 decreases the age of a member of a household that is eligible for the Supplemental Nutrition Assistance Program (SNAP) from 62 years to 60 years; and increases the minimum monthly State supplement amount from \$30 to \$45.

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 increased eligibility and entitlement amounts that impact the FY 2024 Budget and subsequent budgets by an additional \$3 million – an estimated \$1.3 million for the eligibility expansion and \$1.6 million for the increase in the minimum monthly State supplement amount from \$40 to \$45 (\$20 federal/\$25 state).

Please note that the FY 2023 Budget allowance does, in fact, increase the current \$30 minimum monthly State supplement amount to \$40 – the cost associated with the increase is \$2 million. It is the Department's intent to fund the \$40 minimum monthly amount in subsequent years and it has been built into the budget forecast.

Under current law, the State supplements the difference between the monthly federal SNAP benefit and \$30. Until very recently, the minimum federal benefit amount had been \$16 and, therefore, the maximum State supplement a household could receive was \$14 – equaling the combined monthly benefit amount of \$30. As of October 1, 2021, the federal government increased the minimum SNAP benefit to \$20 per month, which would have lowered the State benefit to \$10 per month. However, the FY 2023 Budget increases the combined minimum benefit amount from \$30 to \$40, which equates to a State benefit amount of \$20.

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 this type of bill.

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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