

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 722 (Senator Benson)
 Budget and Taxation

Supplemental Nutrition Assistance Program - Seniors - State Supplement

This bill increases the State supplemental benefit under the Supplemental Nutrition Assistance Program (SNAP) to ensure that households with an individual age 62 or older receive a total benefit of \$75 per month.

Fiscal Summary

State Effect: General fund expenditures increase by \$9.2 million in FY 2025, increasing to \$12.2 million in FY 2026 and thereafter, to expand the State supplemental SNAP benefit, as discussed below. Revenues are not affected.

(\$ in millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	9.2	12.2	12.2	12.2	12.2
Net Effect	(\$9.2)	(\$12.2)	(\$12.2)	(\$12.2)	(\$12.2)

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

Local Effect: None.

Small Business Effect: None.

Analysis

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. The minimum federal SNAP benefit is \$23 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. Thus, the State currently provides up to \$17 per month to these households to ensure that their combined federal and State benefit is at least \$40.

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 and effectively suspended the State supplemental benefit from April 2020 through February 2023. The Department of Human Services (DHS) resumed issuing the State supplemental benefit in March 2023.

Between July and November 2023, there were approximately 29,368 average monthly recipients of the State supplemental benefit for households with a member who is at least age 62. An average monthly payment of \$15.30 was distributed to ensure these households received a total benefit of \$40 per month.

State Fiscal Effect: Under the bill, general fund expenditures increase to ensure that all households that include an individual who is at least age 62 receive a total SNAP benefit of \$75 per month.

DHS advises that, as of December 2023, there were approximately 31,787 total households with a member who is at least age 62 that received a SNAP benefit of less than \$75 per month. To ensure a total benefit of \$75 per month, the State supplemental benefit would need to provide an average of \$40 per month to these households at a total annual cost of \$15.3 million.

The annual cost to provide the current State supplemental benefit (which ensures a total benefit of \$40 per month) to households with a member who is at least age 62 is \$3,029,688. Thus, the net annual cost of the bill is \$12.2 million, including the cost of the increased supplemental benefit, and one-time only system upgrades of \$5,760 in fiscal 2025 only. Future years reflect minimal annual system maintenance costs of \$288.

Given the bill's October 1, 2024 effective date, general fund expenditures increase by an estimated \$9.2 million in fiscal 2025, increasing to \$12.2 million in fiscal 2026 and annually thereafter. To the extent that the number of qualified households is higher or lower, general fund expenditures increase or decrease accordingly.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 543 (Delegate Henson, *et al.*) - Appropriations.

Information Source(s): Department of Human Services; Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2024
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Analysis by: Amberly E. Holcomb

Direct Inquiries to:
(410) 946-5510
(301) 970-5510