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FISCAL IMPACT REPORT

SPONSOR Stefanics **ORIGINAL DATE** 1/25/22 **LAST UPDATED** 2/2/22 **HB** _____
SHORT TITLE Senior SNAP Cost-of-Living Increases **SB** 62/aSHPAC
ANALYST Rees

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
	\$10,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$730.0		\$730.0	Nonrecurring	SGF/Federal Funds

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 66 – SNAP Transitional Support

SOURCES OF INFORMATION

LFC Files

Response Received From
Human Services Department

SUMMARY

Synopsis of SHPAC Amendment

The Senate Health and Public Affairs Committee amended Senate Bill 62 to include disabled persons (who are already eligible for State SNAP benefits) to those who can receive these increased benefits if it is enacted into law.

Synopsis of Original Bill

Senate Bill (SB) 62 appropriates \$10 million from the general fund to the Human Services Department (HSD) for expenditure in FY23 and subsequent fiscal years to adjust the average senior supplemental nutrition assistance program (SNAP) benefit to cost-of-living increases.

This appropriation is effective July 1, 2022.

FISCAL IMPLICATIONS

According to HSD, as of November 2021, there were 7,051 households receiving the state SNAP Supplement for seniors. This includes one or two person households in which all members are elderly and or disabled and do not receive earned income. These households are eligible for less than \$24.99 in federal SNAP benefits, the State SNAP Supplement adds general fund to their federal SNAP benefit to ensure they receive at least \$25.00 (Monthly Statistical Report, November 2021). The US Bureau of Labor Statistics reported the Consumer Price Index (CPI) for food has increased by 6.1 percent in the previous 12 months (BLS, November 2021). Thus, if the average yearly increase in benefits per recipient is 6.1 percent and the number of seniors receiving the supplement remains constant, then \$10 million would support approximately 10 years of cost-of-living adjustments. See table below.

12-month %Change in CPI(Food)	6.1%
Cases (November 2021)	7,051

Year	Minimum Benefit Amount	Difference	Cost (12 Monthly Payment Per Year)
0	\$25.00	\$0.00	\$0.00
1	\$26.53	\$1.53	\$129,033.30
2	\$28.14	\$3.14	\$265,937.63
3	\$29.86	\$4.86	\$411,193.13
4	\$31.68	\$6.68	\$565,309.21
5	\$33.61	\$8.61	\$728,826.37
6	\$35.66	\$10.66	\$902,318.08
7	\$37.84	\$12.84	\$1,086,392.78
8	\$40.15	\$15.15	\$1,281,696.04
9	\$42.60	\$17.60	\$1,488,912.80
10	\$45.20	\$20.20	\$1,708,769.78
		Total	\$8,568,389.11

SIGNIFICANT ISSUES

According to HSD, SB62 creates an opportunity to provide additional SNAP benefits to identified elderly SNAP population. In accordance with Section 8.139.502.8 of the New Mexico

Administrative Code (NMAC), HSD currently administers a similar program that provides a benefit, the state SNAP Supplement, to elderly or disabled one or two person households. The State SNAP Supplement Program is aimed at providing the elderly or disabled with increased food purchasing power resulting in better nutrition.

ADMINISTRATIVE IMPLICATIONS

If enacted, SB62 requires HSD to promulgate new rules in NMAC for the SNAP program; this process takes approximately four (4) months at a minimum.

SB62, if enacted, will also require enhancements to the ASPEN eligibility system. It is estimated that this work would take 4 months to complete and would cost approximately \$730,000.0, as detailed below. SNAP related enhancements to the system earn a 50 percent federal match, which would result in a state general fund cost of approximately \$365,000.0 in the year in which the system work is done.

Feature	Description	Estimated Cost
Code Changes	<ul style="list-style-type: none"> • Reference Table Changes - Modification of an existing reference table AND/OR Creating a new reference table • Potential Eligibility Changes to reflect the new values on a Senior (Aged) Cases • Potential Correspondence Changes to include new languages on the NOCA • Potential Monthly Support Function job to Inert Mass Update Trigger for Senior (Aged) Cases 	\$365,000.0
Data Fixes	Datafix to insert Mass Update triggers on all Senior (Aged) Cases	\$73,000.0
Mass Update Process	Running and Monitoring of Mass Update Process	\$182,500.0
Mass Update Reports	Mass Update Reports - Success and Exceptions	\$109,500.0
Total		\$730,000.0

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to SB66 – SNAP Transitional Support.

TECHNICAL ISSUES

According to HSD, SB62 as written, does not include the disabled population the current State SNAP Supplement serves. The short title should be re-written to include state “Senior and/or Disabled Supplemental Nutrition Assistance Program Benefit...” Writing the bill in this way includes the same population that already is eligible for the State SNAP benefits and would not require any eligibility changes.

The following amendment is suggested: on page 1, line 12, after “SENIOR” insert “OR DISABLED”.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

IF SB62 is not enacted, HSD notes that the identified senior population would not receive the additional SNAP benefits to match cost-of-living increases.

CR/acv/al