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FISCAL IMPACT REPORT

SPONSOR Lujan DATE TYPED 1/28/05 HB 235

SHORT TITLE Supplemental Food Stamp Assistance SB _____

ANALYST Weber

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$1,300.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB112

Duplicates Appropriation in the General Appropriation Act
 Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Human Services Department
 Department of Health

SUMMARY

Synopsis of Bill

House Bill 235 appropriates \$1.3 million from the GENERAL FUND to The Human Services Department for establishing a food stamp simplified targeted eligibility program (STEP) for the elderly and disabled. This will be a new section of the Public Assistance Act, Section 27-2-10.1 NMSA 1978. The program increases an eligible household's food stamp allotment to a minimum of \$25.00 per month in food stamp benefits. The population served is households in which all members are age 60 or older or disabled, reside in a one- or two-person household in which all members receive Supplemental Security Income or Old Age, Survivors and Disability Insurance or a combination of both, and are otherwise qualified to receive federal food stamps. HSD may by rule limit the amount of supplemental benefits made to eligible households based on the availability of state funds.

Significant Issues

Human Services reports.

New Mexico is ranked high nationally for food insecurity and hunger problems. Federal funds may only be utilized for eligibility under the USDA/FNS Food Stamp Program. Many one- or two-person households in which individuals receive Social Security or SSI benefits only qualify for a minimum of \$10 per month in federal benefits. This bill provides state funds to increase the monthly food stamp allotment for eligible households to a minimum of \$25 in monthly food stamp benefits.

Currently there are approximately 7,000 elderly/disabled households that would be eligible for the STEP program. The Department anticipates from census information that many more households in New Mexico are eligible for this program, but are not currently receiving food stamp benefits. This initiative will encourage participation by those who have been unwilling to apply for the federal Food Stamp Program because the benefit amount is so low.

There is no legal impediment to enacting HB 235 and implementing the STEP program. There are safeguards built into the language of HB 235. The STEP program is clearly subject to the availability of state general funds, and HSD has the authority by rule to limit the amount of supplemental food stamp benefits provided to eligible elderly or disabled recipients.

HSD has informed the U.S. Department of Agriculture, Food and Nutrition Service (FNS), Southwest Regional Office of its intention to provide supplemental food stamp assistance under the STEP program.

FISCAL IMPLICATIONS

The appropriation of \$1.3 million contained in this bill is a RECURRING expense to the GENERAL FUND. Any unexpended or unencumbered balance remaining at the end of FISCAL YEAR 2006 shall revert to the GENERAL FUND.

Based on caseload growth in the Department's food stamp program, the estimated cost for FY 07 will be \$1.5 million.

MW/yr:lg