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FISCAL IMPACT REPORT

ORIGINAL DATE 01/22/07

SPONSOR A. Lujan LAST UPDATED _____ HB 76

SHORT TITLE State Supplement for Food Stamp Allotments SB _____

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$1,200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$45.0			Non- recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

House Bill 76 appropriates \$1.2 million from the General Fund to the Human Services Department for the purpose of expanding food stamps for the elderly and disabled who currently receive the minimum food stamp benefit.

FISCAL IMPLICATIONS

The appropriation of \$1.2 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 2008 shall revert to the general fund.

SIGNIFICANT ISSUES

An appropriation of \$600 thousand is included in the General Appropriation Act. The Executive recommendation also includes \$600 thousand for this purpose.

Human Services contributes the following.

Many elderly do not apply for the federal food stamp benefit because of the inconvenience necessary to receive a small benefit in return. By increasing the food stamp benefit, the state could address the problem of hunger among a vulnerable population and increase their ability to purchase nutritious food. The current minimum benefit in the food stamp program is \$10. The supplement may encourage more elderly and disabled individuals to apply for food stamps.

PERFORMANCE IMPLICATIONS

Measures and targets currently exist related to the number of persons receiving food stamps. An increased benefit may necessitate an increased target since it is anticipated more persons would apply.

ADMINISTRATIVE IMPLICATIONS

HSD adds regarding administrative issues.

The Department will need to make changes to the automated eligibility system to provide the supplement. Since there is no indication whether any of the \$1,200.0 may or may not be used for changes to the automated eligibility system, the Human Services Department estimates a one-time cost of \$45.0 for IT eligibility system changes to provide a supplemental food stamp benefit to households. The annual \$1,200.0 will be used for benefits after the one-time reduction of IT costs. Upon appropriate and completed changes in the eligibility system, the additional administrative burden upon existing staff will be minimal and will be absorbed by the operating budget.

TECHNICAL ISSUES

House Bill 76 does not define elderly or disabled. HSD notes the federal food stamp program defines elderly as an individual who is age 60 or over and defines disability as a person receiving Supplemental Security Income (SSI), state-funded General Assistance (GA), or a similar benefit. Aligning the definitions in the bill may streamline the service delivery.

In addition HSD recommends the following language changes to simplify service and align with the current program if the intent of the bill is to provide a supplement to the existing program and not have different eligibility criteria.

Section 1. APPROPRIATION.--One million two hundred thousand dollars (\$1,200,000) is appropriated from the general fund to the human services department for expenditure in fiscal year 2008 to supplement the federal food stamp benefit for ~~[persons]~~ households in which all members ~~[who]~~ are elderly or ~~[who]~~ have a disability and ~~[who]~~ currently receive ~~[the minimum]~~ a food stamp benefit amount of less than \$20 per month. The benefit shall be approximately twenty dollars (\$20.00) per ~~[person]~~ household. Any unexpended or unencumbered balance remaining at the end of the fiscal year ~~[2008]~~ shall revert to the general fund.

MW/mt/csd