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FISCAL IMPACT REPORT

SPONSOR: Lujan DATE TYPED: 03/03/03 HB HJM 64
 SHORT TITLE: Address Under-Use of Food Stamps SB _____
 ANALYST: Weber

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			Estimated Impact		
			See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$42,000.0		Recurring	Federal Funds

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Responses Received From
Human Services Department

SUMMARY

Synopsis of Bill

House Joint Memorial 64 (HJM 64) recognizes the high poverty rate and food insecurity rate in the State of New Mexico and requests that the Human Services Department (HSD) develop a plan to increase the use of Food Stamps in New Mexico.

HJM 64 reports an estimate that if food stamp utilization was increased to 80% from the current 58% of eligible families, an additional \$42 million would be spent in New Mexico. These funds would “ripple outward” resulting in an overall economic development for the state.

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HJM 64 requests that HSD collaborate with organizations serving the hungry and food insecure to develop a plan to increase the use of Food Stamps in New Mexico. HJM 64 further requests that HSD simplify the application for Food Stamps enrollment and provide training to HSD staff on access to Food Stamp. Finally, HJM 64 requests that HSD consider changing the name of the Food Stamp Program (FSP) to reduce any stigma associated with its name.

Significant Issues

HSD reported that, on its own initiative, modified regulations in the FSP during 2002 experienced a 19.0% increase in the number of households (cases) on Food Stamps since January 2002. At 73,540 households (cases) in January 2003, there were 11,746 more Food Stamp households (cases) in New Mexico than there were one year ago.

Further, HSD adds that it currently provides program access training to caseworkers handling Food Stamp applications. This training already ensures that the FSP is accessible as possible to the citizens of New Mexico.

The current application meets the eligibility requirements associated with enrollment in food assistance, medical assistance, and cash assistance programs. The use of one application for all programs allows Food Stamp recipients to be screened for other types of public assistance at time of application.

The federal name of the program is the "Food Stamp Program." In the interest of conforming to the federal name of the program, current name recognition of the FSP, and eliminating the expense associated with changing forms, regulations and statutes, the name "Food Stamp Program" should be retained.

This summer, HSD is planning on leading a "hunger summit" to work on a strategic plan for reducing hunger and food insecurity in the state. HSD plans on collaborating with interested parties such as the NM Food Bank Association on this endeavor.

FISCAL IMPLICATIONS

HJM 64 estimates the potential increase of federal revenue at \$42 million but does not attribute the source of the information.

ADMINISTRATIVE IMPLICATIONS

HSD is concerned that an increase in the FSP caseload would place an increased burden on the current Income Support Division staff that would determine program eligibility. The average caseload per worker is currently approximately 610 cases. Increasing participation to the 80% of 76,000 cases mentioned in HJM 64 would be an increase of approximately 16,000 cases and would increase per worker caseloads by 40 cases each month assuming other programs remained stable. From a different perspective, 16,000 cases would require an additional 26 full time employee holding caseloads steady.

MW/yr:njw