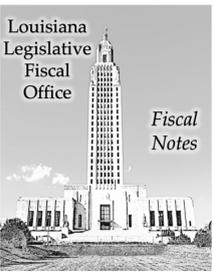


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 196** SLS 24RS 325
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.: **w/ PROP SEN COMM AMD**
 Sub. Bill For.:

Date: March 26, 2024 4:14 PM	Author: MIGUEZ
Dept./Agy.: Department of Children and Family Services	
Subject: SNAP Integrity Measures	Analyst: Tamiko Stroud

WELFARE OR +\$179,920 EX See Note Page 1 of 1
 Provides relative to program integrity in the Supplemental Nutrition Assistance Program. (gov sig)

Proposed law requires the secretary of the Department of Children and Family Services (DCFS) to implement integrity measures to verify ongoing eligibility of Supplemental Nutrition Assistance Program (SNAP) participants. Proposed law requires that the program integrity measures include annual on-site inspection of any authorized retailer that accepts EBT cards (upon complaint or reasonable suspicion) and data matching agreements with certain state agencies and federal sources. Proposed law requires DCFS to make data from its findings of noncompliance and fraud investigations in SNAP benefits available to the public on its website. The information shall be aggregate, non-confidential, without any personal identifying information, and posted quarterly. Proposed law requires DCFS to flag certain out-of-state electronic benefit transfer (EBT) card data and determine if Louisiana residency is still applicable, and if no Louisiana residency, the department shall refer cases over \$100,000 to the appropriate district attorney office. Proposed law is effective upon the signature of the governor or lapse of time for gubernatorial action.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$89,960	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$89,960
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$89,960	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$89,960
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$179,920					\$179,920

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will result in a \$179,920 (50% SGF and 50% Federal) increase within the Department of Children and Family Services (DCFS) as the result of one-time IT programming changes to reconfigure the current SNAP system to generate reports on recipients who use their EBT cards out of state. The proposed law requires DCFS to implement integrity measures to verify ongoing eligibility for SNAP benefits. Integrity measures include data matching agreements with certain state agencies and federal sources. Also, the proposed law requires DCFS to conduct on-site inspections of any EBT retailer upon a complaint or reasonable suspicion. In addition, the proposed law requires the DCFS to identify SNAP recipients who use their EBT cards exclusively out-of-state over a 6-month period.

DCFS reports that the department follows all the integrity measures outlined in the proposed law. Currently, the department performs the following SNAP program integrity measures: (1) conducts on-site inspection of each authorized retailer accepting EBT card transactions to identify suspicious transaction records or amounts indicating possible trafficking benefits or other criminal actions, and if necessary, makes referrals for the appropriate law enforcement agencies; (2) receives and reviews monthly death records from the State Registrar of Vital Records within the Louisiana Department of Health to terminate SNAP benefits for deceased recipients; (3) receives and reviews, at least semiannually, simplified reporting from the Louisiana Workforce Commission for updates in income; (4) receives and reviews monthly information from the Department of Public Safety & Corrections - Corrections Services to terminate SNAP benefits for incarcerated recipients; and (5) conducts matches with national agencies such as the Social Security Administration to confirm supplemental security information and benefit records, and the National Directory of New Hires. If any matches occur, the department contacts recipients to report changes in circumstances.

The proposed law requires DCFS to publish quarterly data from its SNAP findings of noncompliance and fraud investigations. DCFS reports that SNAP fraud information is already collected and can be published on the department's website at no additional costs.

In future fiscal years, the proposed law may result in an indeterminable one-time expenditure increase in DCFS to put a mechanism in place to receive and review the data on gaming winnings and earnings. The proposed law requires DCFS to receive information from the LA Lottery, the LA Racing Commission, and the LA Gaming Control Board to identify households with gaming winnings over \$3,000 for further investigation of SNAP income/resource eligibility limits. The proposed law does not specify the mechanism in which the information should be received, so DCFS can configure options with minimal cost associated, such as receiving the information by email, standard report, or an IT interface.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. SNAP benefits are 100% federally funded and directly sent to participants. If SNAP recipients are no longer eligible to receive benefits as result of integrity measures, federal funds used to pay benefits would be reduced.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} | | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Patrice Thomas
Deputy Fiscal Officer