

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 83** HLS 15RS 496
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 12, 2015 5:56 PM	Author: JEFFERSON
Dept./Agy.: Children & Family Services	Analyst: Patrice Thomas
Subject: Special Program for Retiree Nutrition Assistance	

SNAP/FOOD STAMPS OR +\$444,898 EX See Note Page 1 of 1
 Provides for continuance of nutrition assistance for certain retirees

Proposed law requires the Department of Children & Family Services (DCFS) to submit a Supplemental Nutrition Assistance Program (SNAP) state plan to the US Department of Agriculture, Food and Nutrition Service (FNS) and promulgate administrative rules to establish a program for maintaining or continuing nutrition assistance to retirees who are 80 years of age or older and experience a decrease in SNAP benefits or termination of SNAP eligibility due to having received a nonelective cost-of-living adjustment from their Social Security Administration (SSA) retirement benefits, a public pension program, or any other retirement system, plan, or fund. Proposed law provides that the title of "Special Program for Retiree Nutrition Assistance." Proposed law provides that source of funds for the program may include any appropriation by the legislature of state or federal funds.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$357,398	\$269,898	\$269,898	\$269,898	\$269,898	\$1,436,990
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$87,500	\$0	\$0	\$0	\$0	\$87,500
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$444,898	\$269,898	\$269,898	\$269,898	\$269,898	\$1,524,490

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	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

This legislation is anticipated to increase state expenditures by \$444,898 in FY 16 as the result of continuing Supplemental Nutrition Assistance Program (SNAP) benefits for recipients aged 80 years old or older that had their benefits reduced as a result of a cost of living adjustment (COLA) in their Social Security Administration's retirement benefits program, a public pension program, or any other retirement system, plan, or fund. Any SNAP benefits in excess of the allowable amounts under the US Department of Agriculture, Food and Nutrition Services formula and table are ineligible expenditures for federal reimbursement. Therefore, the Department of Children and Family Services (DCFS) will have to pay these ineligible benefits with SGF or another source of funding.

State expenditures for ineligible SNAP benefits are anticipated to increase by \$269,898. In January 2015, there were approximately 4,976 active SNAP recipients that received a federal Social Security Administration (SSA) and/or Supplemental Security Income (SSI) COLA increase of 1.7% and that were age 80 or older. As a result of the increase in their SSA/SSI income, the average SNAP benefit decreased \$4.52 per month for these recipients. This measure requires DCFS to replace ineligible SNAP benefits for these recipients with SGF at a cost of \$269,898 in FY 16 (4,976 recipients x \$4.52 avg. per month SNAP decrease = \$22,491.52 x 12 months = \$269,898 annually). In future fiscal years, additional state expenditures above what is reflected in the expenditure table above depends upon the future SSA/SSI COLA increases and the number of SNAP recipients over age 80 that receive a decrease in SNAP benefits. In addition, DCFS estimates a one-time cost of \$175,000 (\$87,500 SGF and \$87,500 Federal) for IT infrastructure changes so that SNAP benefits for recipients over the age of 80 would not be reduction as a result of a COLA (\$50,000 to the Office of Technical Services as well as \$125,000 to the Electronic Benefits Transfer System vendor).

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	<u>Dual Referral Rules</u>	House	<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	 John D. Carpenter Legislative Fiscal Officer
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {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}		