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FISCAL IMPACT REPORT

SPONSOR <u>Stefanics/Lopez/Ortiz y Pino/McKenna</u> SHORT TITLE <u>Senior SNAP Benefit Cost-of-Living Increases</u>	LAST UPDATED _____ ORIGINAL DATE <u>2/23/23</u> BILL NUMBER <u>Senate Bill 356</u> ANALYST <u>Esquibel</u>
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APPROPRIATION* (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
	\$2,000.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Contract		\$1,242.3		\$1,242.3	Recurring	General Fund
Staff/Training		\$154.1	\$154.1	\$308.2	Recurring	General Fund
Staff/Training		\$313.0	\$313.0	\$626.0	Recurring	Federal Funds
Total		\$1,709.4	\$467.1	\$2,176.5	Recurring	GF/FF

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Relates to appropriation in the General Appropriation Act

Sources of Information

LFC Files

Responses Received From
 Aging and Long-Term Services Department (ALTSD)
 Human Services Department (HSD)

SUMMARY

Synopsis of Senate Bill 356

Senate Bill 356 appropriates \$2 million from the general fund to the Human Services Department to adjust the average senior supplemental nutrition assistance program benefit to cost-of-living increases.

FISCAL IMPLICATIONS

The appropriation of \$2 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY24 shall not revert to the general fund and may be expended in subsequent fiscal years.

HSD reports implementation of the provisions of the bill would require additional staff and contract costs totaling \$2.2 million.

HB2, General Appropriation Act, as passed by the House Appropriations and Finance Committee includes \$20 million for various food initiatives and school meal improvements.

SIGNIFICANT ISSUES

HSD reports in the FY24 Food Initiative, there is a request to fully fund the Executive budget recommendation to fund \$3.2 million to provide seniors and disabled SNAP recipients an increase in their monthly state SNAP supplemental benefit. The Food Initiative will provide assistance to an additional population of 12,942 seniors and disabled individuals with an additional monthly amount in SNAP benefits of \$80.00.

SB356 proposes to provide the increase in SNAP benefits to the elderly population only.

SB356 does not specify that the cost-of-living increase will be equivalent to the SNAP fiscal year cost-of-living increase which occurs in October of each year,

ADMINISTRATIVE IMPLICATIONS

HSD reports the proposed \$2 million appropriation would increase the annual state SNAP Supplement budget to \$4 million. This increase would allow HSD to increase the State SNAP Supplement to \$70 per month and increase the number of eligible households to 11,025. This would be a 180 percent increase in the supplement amount.

OTHER SUBSTANTIVE ISSUES

ALTSD reports:

- In FY21, 520,500 New Mexicans, 25 percent of the state population, benefited from the supplemental nutrition assistance program (SNAP).
- During FY21, more than 27 percent of New Mexico families included older adults or people with disabilities (source: Center on Budget and Policy Priorities 2022).
- 13.5 percent of older adults in New Mexico live below the poverty line (source: US Census, American Community Survey 2019).
- With increasing food prices, seniors and older adults who are SNAP recipients face an increased cost burden to gain access to adequate food and nutrition. In 2022, food prices increased by 9.9 percent, “food-at-home” prices increased by 11.4 percent, and “food-away-from-home” prices increased 7.7 percent (source: USDA).
- The proposed funding to adjust the average senior SNAP benefit to cost-of-living increases will help senior SNAP recipients mitigate increasing food prices.