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FISCAL IMPACT REPORT

SPONSOR Pirtle ORIGINAL DATE 1/23/17
LAST UPDATED _____ HB _____
SHORT TITLE Restrict Certain SNAP Food Purchases SB 5
ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 5 (SB5) requests the Secretary of HSD seek a waiver of requirements under the federal Supplemental Nutrition Assistance Program (SNAP) to establish a restriction on SNAP food purchases to: (1) those items to which recipients of benefits under the special supplemental nutrition program for Women, Infants and Children are restricted, and (2) the purchase of meat.

FISCAL IMPLICATIONS

HSD noted no fiscal impact for the implementation of the requirements in this bill.

SIGNIFICANT ISSUES

HSD notes the criteria for SNAP purchases are federal policies and not set by the state. While some states have submitted waivers to the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) to restrict SNAP purchases, to date USDA has rejected all applications for waivers.

SB 5 would limit eligible SNAP purchases to around 20 types of foods and to only certain brands of food. The WIC program targets pregnant and postpartum women, infants, and young children. The foods provided through the WIC program supplement the participant's diets with specific nutrients. WIC eligible foods include, breakfast cereal, infant cereal, infant food fruits and vegetables, infant food meat, infant formula, exempt infant formula, milk, cheese, tofu, soy-based beverages, mature legumes, peanut butter, fruits and vegetables, canned fish, whole wheat bread and other whole grains, juice, and eggs.

SNAP benefits allow those participants with special diets or medical conditions to purchase other foods than what WIC allows.

The United States Food and Nutrition Act of 2008 (the Act) defines eligible food as any food or food product for home consumption and also includes seeds and plants which produce food for consumption by SNAP households. The Act precludes the following items from being purchased with SNAP benefits: alcoholic beverages, tobacco products, hot food and any food sold for on-premises consumption. Nonfood items such as pet foods, soaps, paper products, medicines and vitamins, household supplies, grooming items, and cosmetics, also are ineligible for purchase with SNAP benefits.

The Code of Federal Regulations (CFR) at 7 CFR 271.2 further defines all eligible foods as:

- (1) Any food or food product intended for human consumption except alcoholic beverages, tobacco, and hot foods and hot food products prepared for immediate consumption and any deposit fee in excess of the amount of the State fee reimbursement (if any) required to purchase any food or food product contained in a returnable bottle, can, or other container, regardless of whether the fee is included in the shelf price posted for the food or food product;
- (2) Seeds and plants to grow foods for the personal consumption of eligible households;
- (3) Meals prepared and delivered by an authorized meal delivery service to households eligible to use coupons to purchase delivered meals; or meals served by an authorized communal dining facility for the elderly, for SSI households or both, to households eligible to use coupons for communal dining;
- (4) Meals prepared and served by a drug addict or alcoholic treatment and rehabilitation center to narcotic addicts or alcoholics and their children who live with them;
- (5) Meals prepared and served by a group living arrangement facility to residents who are blind or disabled as defined in paragraphs (2) through (11) of the definition of "Elderly or disabled member" contained in this section;
- (6) Meals prepared by and served by a shelter for battered women and children to its eligible residents;
- (7) In the case of certain eligible households living in areas of Alaska where access to food stores is extremely difficult and the households rely on hunting and fishing for subsistence, equipment for the purpose of procuring food for eligible households, including nets, lines, hooks, fishing rods, harpoons, knives, and other equipment necessary for subsistence hunting and fishing but not equipment for the purpose of transportation, clothing or shelter, nor firearms, ammunition or other explosives;
- (8) In the case of homeless SNAP households, meals prepared for and served by an authorized public or private nonprofit establishment (e.g. soup kitchen, temporary shelter), approved by an appropriate State or local agency, that feeds homeless persons; and
- (9) In the case of homeless SNAP households, meals prepared by a restaurant which contracts with an appropriate State agency to serve meals to homeless persons at concessional (low or reduced) prices.

ADMINISTRATIVE IMPLICATIONS

There may be an impact to the Human Services Department's Electronic Benefit Transfer (EBT) system as the vendor would need to modify the system to exclude certain types of purchases.

OTHER SUBSTANTIVE ISSUES

HSD notes each individual NM food vendor would need to re-program their current point of sale and grocer systems to further restrict the capability of purchasing certain types and brands of food.

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