

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2033

STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JUNE 23, 2022

SUMMARY

- Synopsis:** Concerns SNAP services provided at county boards of social services; appropriates \$250,000.
- Type of Impact:** State expenditure increase; potential increase in State revenues; potential increase in county costs.
- Agencies Affected:** Department of Human Services, county boards of social services.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	Indeterminate, minimum of \$250,000
Potential State Revenue Increase	Indeterminate
Potential County Cost Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that the Department of Human Services (DHS) will potentially realize higher administrative costs in order to establish the Supplemental Nutrition Assistance Program (SNAP) training program for employees of County Boards of Social Services, annually review and update the training program and curriculum, as needed, and publish certain county-level SNAP data on the department’s website. Although the bill appropriates \$250,000 from the General Fund for the department to implement these requirements, the State may potentially use federal funding under the American Rescue Plan Act (ARPA) to partially, if not completely, offset any SNAP administrative costs that exceed the amount of the appropriation; therefore, the OLS cannot determine the net fiscal impact to the State.
- State revenues will likely increase under the bill, since the federal government provides matching funds for qualifying State administrative expenditures under SNAP. Any revenue increase from the receipt of federal matching funds will depend upon whether the programs established under the bill receive federal waiver approval, and the extent to which the State allocates federal ARPA funding to help offset higher SNAP administrative costs stemming from this bill.

- County Boards of Social Services may also realize increased costs, pursuant to a provision in the bill that requires each County Board of Social Services to ensure that all employees who assist individuals with the SNAP enrollment and recertification processes complete the SNAP training program newly established under the bill.

BILL DESCRIPTION

This bill would require the DHS, to the maximum extent permissible under federal law, to establish a training program for each employee of a County Board of Social Services who assists individuals with the SNAP enrollment and recertification process. The purpose of the training will be to educate employees on current federal laws, regulations, and standards concerning SNAP, and best practices to comply with federal SNAP requirements. The department is required to periodically review and modify the training program, as needed, to incorporate any changes to federal SNAP laws, regulations, and standards. Each County Board of Social Services is responsible for ensuring that all required employees complete the training program at least once in each calendar year.

The bill additionally requires the department to publish county-level case tracking data for SNAP on its website, including: application approval rates, reasons for application denial, and average application approval time.

The bill directs the Commissioner of Human Services to apply to the Food and Nutrition Service within the United States Department of Agriculture (USDA) for any federal waivers or approvals necessary to execute the provisions under the bill. The bill additionally appropriates \$250,000 from the General Fund to the department to implement the provisions thereof.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the DHS will potentially realize higher administrative costs in order to establish the SNAP training program for employees of County Boards of Social Services, annually review and update the program's curriculum, as needed, and publish certain county-level SNAP data on the department's website. Since the bill appropriates \$250,000 from the General Fund to implement the provisions thereof, the OLS assumes that this amount would be the minimum cost to the State under the bill.

The OLS notes that the federal ARPA provides \$1.135 billion over a three-year period to assist the states with SNAP administrative costs, in order to partially alleviate increased public demand for benefits resulting from the COVID-19 pandemic. This additional federal funding does not require that states provide matching funds for eligible SNAP administrative expenditures. Between federal fiscal years 2021 and 2023, New Jersey is scheduled to receive \$21 million under ARPA for SNAP administrative costs; of this amount, \$8.2 million is allocated for each of federal fiscal years 2022 and 2023. By comparison, total SNAP administrative costs incurred by the State in FY 2019 totaled \$326.8 million.

Guidance from the USDA, which administers SNAP at the federal level, directs states to utilize ARPA funds for the following purposes, which potentially align with the provisions of this bill: explore opportunities to improve service delivery and access for vulnerable populations; invest in State employees and infrastructure to provide the necessary technology and training in order to modernize customer service delivery; and improve reporting systems to ensure timely and reliable information is provided to the Food and Nutrition Service, Congress, and stakeholders on program outcomes and activities. To the extent that the department utilizes ARPA funding to meet the requirements under this bill, State costs incurred will decrease, and may potentially be eliminated.

Since the federal government shares all administrative expenses with the State, the requirements under this bill may increase State revenues by an indeterminate amount. Any increase in SNAP benefits resulting from the requirements under the bill would not have any fiscal impact on the State, as SNAP benefits are paid directly from federal funds.

Section: Human Services

*Analyst: Anne Hunt Cappabianca
Associate Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).