LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 5880
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JUNE 17, 2021

SUMMARY

Synopsis: Directs DHS to develop mobile software program for SNAP recipients.

Type of Impact: Annual State expenditure and revenue increases.

Agencies Affected: Division of Family Development, Department of Human Services.

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Expenditure Increase		Indeterminate	
State Revenue Increase		Indeterminate	

- The Office of Legislative Services (OLS) estimates that this bill will result in an indeterminate increase in one-time expenditures by the Division of Family Development (DFD) in the Department of Human Services (DHS) to develop a mobile software program for Supplemental Nutrition Assistance Program (SNAP) recipients, as required under the bill, as well as ongoing expenditures to maintain the software program. The magnitude of these costs depend on several unpredictable variables; however, the OLS assumes that the department will incur the majority of the costs during the development process.

- Unpredictable cost variables under the bill include: 1) the department's use of a third party to develop and maintain the software program versus the use of current staff and existing State resource; and 2) the receipt of any available federal grant funds to support the development of the software program.

- The OLS notes that to the extent all SNAP administrative costs are shared between the State and federal government, and any costs incurred by the department under the bill will result in an increase in State revenue.

BILL DESCRIPTION

This bill requires the DHS to develop and maintain, or enter into or modify an agreement with a third party to develop and maintain, a mobile software program for SNAP recipients.

The mobile software program will include, but not be limited to, functionality that allows a user of the mobile software program who is a recipient of SNAP benefits to: view the user's SNAP case status and the current benefits the user receives; view the current balance on the user's electronic benefit transfer card; request an electronic benefit transfer card or a replacement card and track the card's expected time of arrival by mail; upload and submit required documents for continued participation in SNAP and track the current processing status of those documents; receive alerts for upcoming SNAP appointments and important deadlines or actions; read and print notices and letters; update contact information; request to have a letter mailed to the user listing the amount of benefits the user receives; and view local contact information for the County Board of Social Services for the county in which the user resides. The mobile software program will also be required to be made available free of charge and in multiple languages.

The bill requires the Commissioner of Human Services to apply for any: 1) waivers from the federal government, which are necessary for approval and implementation of this act; and 2) grants through the SNAP Process and Technology Improvement Grants program within the United States Department of Agriculture to receive federal funding to implement the provisions of bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will result in an indeterminate increase in one-time expenditures by the DFD in the DHS to develop a mobile software program for SNAP recipients, as required under the bill, as well as ongoing expenditures to maintain the software program. The magnitude of these costs depend on several unpredictable variables; however, the OLS assumes that the department will incur the majority of the costs during the development process.

First, the bill authorizes the department to enter into or modify an agreement with a third party to comply with the provisions of the bill. To the extent that the department can develop the software using current staff and current State resources, the OLS assumes the cost of the bill will be less than using a third party vendor.

Currently, the department manages the State's online benefits portal, NJOneApp. The online application provides residents with the ability to screen for eligibility and apply for various government assistance programs, including SNAP. Applicants can also check an application status and upload documents, which are two requirements of the software platform to be developed under this bill. It is possible that the department will be able to leverage this existing technology to establish the software required under this bill.

Further, the OLS notes that costs incurred by the department in the development of the software may be minimized through collaborations with existing State entities, such as the New Jersey State Office of Innovation. The mission of the office, created in 2018, among other things, is to partner with State agencies to develop technologies that improve the delivery of service. The office's Innovation Lab specifically is designed to develop, test, and implement new products through department collaborations.

The Office of Information Technology is also a potential State resource to guide the department's development of the SNAP software. The office is charged with providing and maintaining information technology infrastructure to the Executive Branch.

Second, the bill requires the department to apply for federal grants through the SNAP Process and Technology Improvement Grants program to implement the provisions of bill. This grant supports efforts by state agencies to develop and implement projects that focus on improving the quality and efficiency of SNAP operations and processes. The federal government competitively awards up to $5 million in SNAP Process and Technology Improvement Grants each federal fiscal year (FFY), resulting in approximately the distribution of six to 11 grants.

In FFY 2020, the DHS received a $944,810 SNAP Process and Technology Improvement Grant to redesign the NJ OneApp and create a new customer service portal and text message notification system that alerts applicants to key case updates; thereby providing access to real-time case information. Under this federal program, the department is not eligible to apply for a new grant until FFY 2022, which commences on October 1, 2021. Any grant funds received by the department will minimize, at least in part, the State resources needed to develop the software program.

The OLS notes that all SNAP administrative costs are shared between the State and federal government, with the federal government contributing approximately 50 percent. Automated data processing development and operation is an authorized category of reimbursable administrative expense. Therefore, to the extent that the bill increases costs to the department, it will also increase federal revenue received by the State.

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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.).