

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 1049

STATE OF NEW JERSEY
219th LEGISLATURE

DATED: NOVEMBER 1, 2021

SUMMARY

- Synopsis:** Establishes standard medical expense deduction under SNAP for certain senior citizens.
- Type of Impact:** One-time State expenditure and revenue increase. One-time increase in County expenditures.
- Agencies Affected:** Division of Family Development in the Department of Human Services; County welfare agencies.

Office of Legislative Services Estimate

Fiscal Impact	<u>One-Time</u>
State Expenditure Increase	Indeterminate
County Expenditure Increase	Indeterminate
Federal Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) assumes the State and county governments may experience a one-time increase in expenditures under the bill, to the extent that the Division of Family Development (DFD) in the Department of Human Services (DHS) and county welfare agencies incur administrative costs to implement a standard medical expense deduction for the elderly and disabled under the Supplemental Nutrition Assistance Program (SNAP). As the federal government shares all administrative expenses of the program with the State, the bill may also result in an increase in federal SNAP revenue.
- Any increase in SNAP benefits under the bill would not have any fiscal impact on the State, as SNAP benefits are paid directly from federal funds.

BILL DESCRIPTION

This bill establishes a standard medical expense deduction for certain elderly and disabled persons under SNAP. Specifically, this bill requires the DFD in the DHS to implement a standard medical expense deduction based on the results of a required cost-benefit analysis in a manner that

has no significant negative impact to other SNAP households for the purposes of determining income eligibility under SNAP for any household that includes an elderly or disabled person. Implementation of the standard medical expense deduction is not to proceed if the cost-benefit analysis demonstrates that benefits to other enrollees would need to be decreased to implement the deduction.

Under the bill, a household that includes an elderly or disabled person is to be entitled to a standard medical expense deduction in an amount agreed upon by the department and the United States Department of Agriculture, provided that the amount of actual costs of allowable medical expenses incurred by the elderly or disabled person for a month, exclusive of special diets, is equal to or greater than \$35 and does not include any expenses paid on behalf of the household by a third party. If the amount of actual costs of allowable medical expenses incurred by the elderly or disabled person for a month, exclusive of special diets, is greater than the established standard medical deduction, then the medical expense deduction is to be equal to the amount of those actual costs.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The county welfare agencies in New Jersey, under the supervision of the DFD in the DHS, administer SNAP. As such, the OLS assumes the State and county governments may experience a one-time increase in expenditures under the bill, to the extent that the DFD and county welfare agencies incur administrative costs to implement a standard medical expense deduction in SNAP for the elderly and disabled. Examples of administrative costs include effecting changes to the SNAP application or to the processing systems regarding SNAP eligibility determinations. As the federal government shares all administrative expenses of the program with the State, the bill may also result in an increase in federal SNAP revenue. Any increase in SNAP benefits under the bill would not have any fiscal impact on the State, as SNAP benefits are paid directly from federal funds.

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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.).