



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3770 Introduced on February 15, 2017
Author: Loftis
Subject: SNAP
Requestor: House Ways and Means
RFA Analyst(s): Shuford
Impact Date: March 7, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$14,072,689	\$0
Other and Federal	(\$18,000,000)	\$0
Full-Time Equivalent Position(s)	280.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will increase recurring and non-recurring General Fund and Federal Funds expenditures by a total of \$14,072,689 and 280 FTEs in FY 2018-19 to conduct the longer eligibility interviews for the Supplemental Nutritional Assistance Program. These recurring and non-recurring expenditures will be a General Fund expenditure as federal SNAP administrative grant funds are subject to an annual cap in an amount insufficient to absorb the increased administrative cost of this bill.

Additionally, the elimination of categorical eligibility will reduce South Carolina SNAP benefit expenditures by approximately \$18,000,000 in FY 2018-19. This amount represents a reduction in federal benefit authorizations and will have no effect on the General Fund or Other Funds. The estimate is based on Congressional Budget Office estimates prorated to reflect South Carolina's percentage of U.S. SNAP benefits.

Explanation of Fiscal Impact

Introduced on February 15, 2017

State Expenditure

This bill prohibits the Department of Social Services (DSS) from establishing resource limit standards that exceed federal limits when determining the eligibility of a household to participate in the Supplemental Nutritional Assistance Program (SNAP). Additionally, DSS shall not grant categorical eligibility thereby exempting a household from the resource limits unless expressly required by federal law.

Forty-two states and territories, including South Carolina, allow households with elderly or disabled members and households that receive public assistance such as Temporary Assistance for Needy Families or Supplemental Security Income an exemption from income and resource tests when determining eligibility for SNAP. These households are considered categorically eligible for SNAP benefits. DSS reports that pursuant to this policy approximately 99 percent of SNAP household are categorically eligible and are not subject to a resource test.

As of January 2018, 310,820 households received SNAP benefits, and DSS conducts an average of 33,200 eligibility interviews monthly. DSS indicates that if categorical eligibility is eliminated, the length of time an eligibility interview will increase from the current 30-minute average, and the number of interviews staff are able to conduct per day will decrease by 50 percent. Consequentially, DSS estimates that staffing needs will almost double in order to maintain current performance. The number of staff currently conducting eligibility interviews, including supervisors, total 301 FTEs.

Specifically, DSS indicates that staffing levels to conduct the longer eligibility interviews will increase by 280 FTEs from this legislation. This will increase recurring and non-recurring General Fund expenditures by a total of \$14,072,689 in FY 2018-19. DSS indicates these recurring and non-recurring expenditures will be a General Fund expenditure as federal SNAP administrative grant funds are subject to an annual cap in an amount insufficient to absorb the increased administrative cost of this bill.

This total includes recurring expenditures of \$13,728,289 for personal service and other operating expenditures for 249 staff and 31 supervisors to conduct the longer eligibility interviews. Non-recurring expenditures of \$344,400 in FY 2018-19 include furniture and equipment for these new FTEs.

Additionally, expenditures on SNAP benefits will decrease from the elimination of categorical eligibility determinations. Congressional Budget Office estimates contained in *Options for Reducing the Deficit* suggest that applying the standard income and resource tests to households otherwise entitled to benefits through categorical eligibility would reduce SNAP benefits by \$1,200,000,000 nationwide in 2019. Since South Carolina SNAP expenditures account for 1.53 percent of all SNAP benefits, this bill will reduce SNAP benefit expenditures by approximately \$18,000,000 in FY 2018-19. This amount represents a reduction in federal benefit authorizations and will have no effect on the General Fund or Other Funds.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director