



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4066
 Author: Gagnon
 Requestor: House Ways and Means
 Date: December 4, 2015
 Subject: DSS to administer SNAP program
 RFA Analyst(s): Fulmer

Estimate of Fiscal Impact

| | FY 2015-16 | FY 2016-17 |
|----------------------------------|-------------------|-------------------|
| State Expenditure | | |
| General Fund | \$821,670 | \$0 |
| Other and Federal | \$1,558,451 | \$0 |
| Full-Time Equivalent Position(s) | 35 | 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 General Fund expenditures by \$821,670 and Federal Funds expenditures by \$1,558,451. There is no expenditure impact to Other Funds. Since SNAP benefits are not part of the State's budget, any reduction in the number of SNAP recipients will reduce only federal government expenditures.

Explanation of Fiscal Impact

State Expenditure

This bill designates the Department of Social Services (DSS) to administer the Supplemental Nutrition Assistance Program (SNAP) and limits the individuals who receive SNAP benefits to three months out of thirty-six months as long as they are meeting specified work and training requirements. The bill limits SNAP eligibility of an individual over the age of fifteen and under the age of sixty based on guidelines within the bill. The bill aligns terminology of an able-bodied adult without dependents (ABAWD) with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. It also defines Employment and Training Programs that establish requirements with which an ABAWD must comply to be eligible for SNAP benefit. The bill further defines Workfare programs that enable SNAP recipients to maintain eligibility for benefits by working for a department-approved private or public nonprofit agency for compensation in the form of the household's monthly benefit allotment.

In order to operate an expanded SNAP Employment and Training Program for ABAWDS, DSS indicates a need for 35 additional FTEs to track and verify participation and provide employment

services. These FTEs will require additional General Fund expenditures of \$109,170 and \$845,951 in Federal Fund expenditures through the SNAP Administration Grant in FY 2015-16.

The expansion of the SNAP Employment and Training Grant will provide participants bus fare or gas cards totaling \$50 per month for job search and training transportation. The federal government will only reimburse 50% of these state payments for transportation. Therefore, DSS indicates an additional expenditure impact of \$712,500 in General Funds and \$712,500 in Federal Funds for purposes of transportation funding.

The Department of Social Services estimates that this legislation would impose additional requirements on approximately 46,000 of the total 100,000 SNAP recipients through the work, work programs, and workfare programs. It is estimated that the average SNAP recipient benefit is \$169.55 per month. While the caseload has gradually declined, the department is not expecting a large drop in welfare participants. Over the past two years, South Carolina has been identifying ABAWDs and mandating their participation in work activities. In addition, SNAP benefits are 100% federally funded through the USDA and loaded directly to a recipients SNAP card through the retailer which processes the funds. Therefore, SNAP benefits are not part of the State's budget. ABAWDs are not eligible for TANF.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director