

**BILL SUMMARY**  
1st Session of the 54<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1909</b>
<b>Version:</b>	<b>Introduced</b>
<b>Request Number:</b>	<b>6508</b>
<b>Author:</b>	<b>Speaker Shannon</b>
<b>Date:</b>	<b>2/25/2013</b>
<b>Impact:</b>	<b>\$18,783,433</b>

**Research Analysis**

HB 1909, as introduced, limits food stamp eligibility for able-bodied adults, under the age of fifty who do not have minor children, to those individuals who participate in qualified work activities at least 35 hours per week. The measure directs DHS to develop categories of approved work activities for the food stamp program which would include, but not be limited to, unsubsidized and subsidized employment, job training and job readiness activities, education programs and community service programs.

Prepared By: Marcia Goff

**Fiscal Analysis**

The fiscal costs associated with this bill include the cost of additional staff, development of work components, contractual costs, training, and system changes.

Using the 2009 data on ABAWD participation for guidance, an estimate of the cost is calculated as follows. In January 2013, there were (617,707) SNAP benefit recipients, 56% were adults (345,916) and using the 2009 rate, then 1.5% would have been ABAWD (5,189). In order for a worker to manage approximately 20 cases, it will require 250 Social Service Specialist II's, 50 Social Service Specialist III's, 10 Social Service Specialist IV's and 2 Program Field Representative I's. Cost is listed below:

Salaries:	\$ 9,077,646
Benefits:	\$ 7,152,116
Start-up New costs:	\$ 1,494,792
Travel:	\$ 72,500
Standard Rent & Supplies:	\$ 971,880
Other:	\$ <u>14,499</u>

Estimated Costs: \$18,783,433

At this time the estimated cost is an annualized amount at 100% state dollars. This cost estimate does not include new contractual costs, training, and system changes. These will be potential costs above the funding needed for FTE. Due to the estimated number of FTE for this new program, this will need to be presented to the U.S. Department of Agriculture for approval of federal reimbursement.

Prepared By: Stacy Johnson

## **Other Considerations**

The total budget for the SNAP program for FY-13 is \$998 Million. Of that amount, \$44M (4.4%) is for administrative costs. The state share of the administrative costs is 50%, which calculates to a 2.2% administrative cost to the state. The costs in the fiscal impact for this bill will increase the administrative cost to 6.2%, but the state administrative cost increases to 4%.

Based on the figures on page 4, if 5,189 were dropped from the SNAP program, the SNAP benefit savings would be estimated at \$1,037,800, with an increased overall administrative program cost of \$18,783,433.

Since 2009, there has been a 20% increase in caseloads, and a 12% reduction in eligibility staff in county offices.