

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1513H.01I
 Bill No.: HB 594
 Subject: Public Assistance; Food
 Type: Original
 Date: March 5, 2021

Bill Summary: This proposal extends the pilot program allowing recipients to use SNAP funds at local farmers' markets.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue*	Up to (\$5,164,620)	Up to (\$6,686,160)	Up to (\$6,686,160)
Total Estimated Net Effect on General Revenue	Up to (\$5,164,620)	Up to (\$6,686,160)	Up to (\$6,686,160)

* Officials from the Department of Social Services – Family Support Division (FS) stated previously, they partnered with a nonprofit organization which had a grant from the United States Department of Agriculture (USDA), to implement this program. If there is not a nonprofit organization administering this program, FSD assumes DSS will administer the program directly should the provisions of this legislation be enacted. See p. 4 for information regarding prior implementation of the program (prior to its sunset in 2020).

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§208.018 – SNAP recipients allowed/encouraged to utilize local farmers' markets

Officials from the **Department of Social Services (DSS), Family Support Division (FSD)** state §208.018 is amended to extend the pilot program for Supplemental Nutrition Assistance Program (SNAP) participants to purchase fresh food at farmers' markets with a dollar – for - dollar match up to ten dollars per week until August 28, 2033.

Previously, FSD partnered with a nonprofit organization which had a grant from the United States Department of Agriculture (USDA), to implement this program. If there is not a nonprofit organization administering this program, FSD assumes DSS will administer the program directly should the provisions of this legislation be enacted.

FSD currently utilizes a third party vendor to administer SNAP benefits to participants on Electronic Benefit Transfer (EBT) cards. The current EBT vendor estimates the necessary programming changes will cost approximately \$150,000 to implement and approximately \$6,500 per month to maintain. Due to the necessary programming changes required, the EBT vendor estimates implementation cannot occur before October 2021.

The provisions of this legislation require the pilot program to be established in at least one urban area and one rural area in Missouri. For the purposes of this fiscal note, FSD assumes the pilot program will be administered in no more than one urban area and one rural area. FSD determined the number of households receiving SNAP in the most populated urban area and the least populated rural area to estimate the fiscal impact. In November 2020, there were 50,743 households receiving SNAP in St. Louis County, the greatest populated urban area in Missouri and 90 households receiving SNAP in Worth County, the smallest populated rural area.

FSD assumes 25% of the 50,833 (50,743 + 90) SNAP households in these areas will participate in the program for a total of 12,708 SNAP households ($50,833 * 0.25 = 12,708.25$, rounded down).

Based on the assumption this program will administer a pilot to 12,708 households in St. Louis County and Worth County, each household will receive an additional \$10 in weekly benefits to use at farmers' markets. With implementation beginning October 2021, each household will receive up to an additional \$390 (39 weeks * \$10) in the first year and up to an additional \$520 (52 weeks * \$10) in each year following. Therefore, the total additional benefits administered to SNAP participants to use at farmers' markets could be up to \$4,956,120 (12,708 * \$390) in FY 22 and up to \$6,608,160 (12,708 * \$520) in each year following.

FSD assumes the administration of this program can be accomplished with existing staff.

FSD defers to OA-ITSD for any system changes necessary to implement the provisions of this legislation.

Therefore, the total fiscal impact to FSD is \$0 to \$5,164,620 (\$150,000 EBT implementation + \$58,500 EBT Maintenance (\$6,500 * 9 months) + \$4,956,120 benefits) in FY 22 and \$0 to \$6,686,160 (\$78,000 EBT Maintenance (\$6,500 * 12 months) + \$6,608,160 benefits) in FY 23 and each year following.

DSS will explore opportunities for grants, gifts, donations, or partnerships with nonprofit organizations for the administration of this program. However, without the receipt of grant funds, other gifts, donations, or nonprofit organization partnerships, this program would be fully funded by general revenue and is subject to appropriations.

There is a possibility in the future of receiving a Federal Grant for the program, but none have been granted at this time. So costs have been calculated in General Revenue at this time.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by FSD.

Officials from the **DSS, Division of Legal Services (DLS)** state HB 594 will result in no fiscal impact to DLS. HB 594 moves the sunset date for the pilot program established under this section. No additional DLS resources would be required in litigation, investigations, hearings or human resources.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for DLS.

Oversight learned, in discussions with DSS officials, that the non-for-profit Mid-America Regional Council (MARC) ran the Double Up Food Bucks (DUFEB) program under a grant from summer 2016 through October 31, 2019. The MARC's final report shows there were 53 Farmers Markets that participated some time during the grant period. At those markets, 52,843 SNAP transactions were made for \$959,156 reimbursement/transactions. The DUFEB incentive had a distribution of \$811,532 of which \$765,546 or 94% was redeemed.

The program was originally going to run through December 31, 2019, but was shut down on October 31, 2019 to allow time to close out the grant from the USDA and plan for 2020 with local funding they had. The local funding was only for Kansas and some Kansas City locations.

Officials from the **Missouri Department of Agriculture** and the **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS** assume the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what their office can sustain with their core budget. Therefore, SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT –</u> <u>State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
	Up to...	Up to...	Up to...
EBT Implementation	(\$150,000)	\$0	\$0
EBT Maintenance Annual	(\$58,500)	(\$78,000)	(\$78,000)
EBT Benefits	(\$4,956,120)	(\$6,608,160)	(\$6,608,160)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>Up to...(\$5,164,620)</u>	<u>Up to...(\$6,686,160)</u>	<u>Up to...(\$6,686,160)</u>

<u>FISCAL IMPACT –</u> <u>Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This proposal could have a positive fiscal impact on small business farmers and farmers' markets.

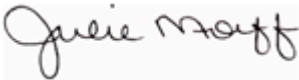
FISCAL DESCRIPTION

This bill extends the expiration on the program that allows SNAP recipients to utilize local farmers' markets to August 28, 2033 (§208.018).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services
Joint Committee on Administrative Rules
Missouri Department of Agriculture
Office of the Secretary of State



Julie Morff
Director
March 5, 2021



Ross Strope
Assistant Director
March 5, 2021