



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: H.B. 608 of the 132nd G.A.

Status: As Introduced

Sponsor: Rep. Wiggam

Local Impact Statement Procedure Required: Yes

Subject: Supplemental Nutrition Assistance Program (SNAP) eligibility

State & Local Fiscal Highlights

- The Ohio Department of Job and Family Services (ODJFS) could experience additional costs to provide additional workforce training, make upgrades to the Ohio Benefits system, and promulgate rules.
- County departments of job and family services (CDJFS) could realize a significant increase in administrative costs to carry out additional Supplemental Nutrition Assistance Program (SNAP) determinations.

Detailed Fiscal Analysis

The bill makes numerous changes to the state options available to Ohio in administering SNAP, which provides food assistance to low-income, qualifying families. SNAP's statutes, regulations, and waivers provide states with various policy options to adapt their programs. Specifically, the bill:

- Prohibits ODJFS from seeking exemptions for the time limits that apply for able-bodied adults without dependents;
- Prohibits ODJFS from using state options regarding household SNAP income and asset calculation;
- Prohibits SNAP income and asset limits from exceeding the type and allowable amounts permitted by the United States Department of Agriculture Secretary; and
- Requires certain individuals cooperate with ODJFS in establishing paternity and complying with the terms of a child support order as a condition of eligibility.

Changes impacting benefits

Several changes in this bill could reduce the number of individuals and households receiving SNAP benefits. In 2017, Ohio disbursed \$2.17 billion to 1.46 million individuals in 723,000 assistance groups. However, these funds are paid fully by the federal government directly to the benefit processor (contracted through

ODJFS). As a result, reducing benefit disbursements will not result in savings to the state. The federal government reimburses local and state governments at a rate of 50% for administrative costs.

The changes discussed in the sections below will likely result in a reduction in benefits disbursed in Ohio and, in many cases, increased administrative costs. Specifically, the changes to work requirements for able-bodied adults without dependents, and child support payments will likely reduce the number of people receiving SNAP benefits. Additionally, the changes to asset and income determination, categorical eligibility, and child support payments will likely pose a significant increase in administrative costs to county departments of job and family services (CDJFS). Finally, offering the workforce program under general work requirements could pose additional costs to ODJFS.

Able-bodied adults without dependents

The bill prevents the state from seeking exemptions for the time limits for able-bodied adults without dependents (ABAWD) that receive SNAP benefits. Without an exemption, ABAWDs can only receive SNAP benefits for three months in a three-year period if they do not meet work requirements (generally 80 hours a month of work and/or participating in an approved workforce program).¹ States can seek a temporary waiver to the ABAWD requirements in areas where unemployment is high; Ohio has received this waiver for select areas of the state.²

General work requirements

The bill requires ODJFS to require individuals subject to the general work requirements, but who are not otherwise ABAWDs, to participate in its employment and training program. ODJFS may need to expand the capacity of some of its workforce training programs in order to provide training opportunities to workers that may be required to participate under the bill.

Asset and income determination

Qualifying for SNAP benefits generally requires that a household earn less than 130% of the federal poverty level (FPL). In addition to income requirements, households generally need to have liquid assets less than \$2,250 for most households (households can have assets of \$3,500 if it has an elderly or disabled member). However, Ohio has a waiver that allows households which contain an elderly or disabled member with

¹ United States Department of Agriculture. Food and Nutrition Service. "Able-Bodied Adults Without Dependents (ABAWDs)." <https://www.fns.usda.gov/snap/able-bodied-adults-without-dependents-abawds>.

² United States Department of Agriculture. Food and Nutrition Service. "Supplemental Nutrition Assistance Program (SNAP): Status of State Able-Bodied Adult without Dependents (ABAWD) Time Limit Waivers – Fiscal Year 2019 – 1st Quarter." <https://fns-prod.azureedge.net/sites/default/files/snap/FY19-Quarter1-ABAWD-Waiver-Status.pdf>.

income under 200% FPL to not face an asset test.³ This change will result in CDJFSs conducting additional determinations.

Categorical eligibility

The bill prohibits ODJFS from considering a household to be categorically eligible if the household receives certain types of income. Categorical eligibility relies on the assumption that if a person was determined eligible for certain programs, such as by qualifying for Supplemental Security Income (SSI) or Temporary Assistance for Needy Families (TANF), he or she would qualify for SNAP. The bill prohibits ODJFS from considering a household categorically eligible if any member receives any noncash, in-kind, or other similar benefits. This change will require CDJFSs to conduct additional determinations.

Child support

The bill requires ODJFS to mandate that, as a condition of SNAP eligibility, these individuals must cooperate with ODJFS regarding (1) establishing paternity and (2) establishing, modifying, and enforcing a child support order. Currently, Ohio does not disqualify applicants for reasons related to child support payments.⁴

State administrative changes

The bill may require upgrades to the Ohio Benefits system, posing an administrative cost to ODJFS. The costs will depend on the number and complexity of system upgrades. Additionally, the bill requires ODJFS to adopt rules in order to implement the provisions of the bill. Promulgating rules will pose a minimal administrative cost.

Background

SNAP is a United States Department of Agriculture/Food and Nutrition Service program that assists low-income households to purchase food from authorized merchants. A household that receives benefits under the program is a group of people who purchase and prepare meals together. This would generally be a family, but may also include unrelated adults who share a home and meals.

To qualify for benefits, recipients must earn less than 130% FPL (\$27,014 annually for an assistance group of three in 2018). The benefit amount varies based on the income and size of the assistance group. Determinations for SNAP benefits are made by CDJFSs. The federal government reimburses state and local administration costs at a rate of 50%.

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³ United States Department of Agriculture. Food and Nutrition Service. "Broad-Based Categorical Eligibility." <https://fns-prod.azureedge.net/sites/default/files/snap/BBCE.pdf>.

⁴ United States Department of Agriculture. Food and Nutrition Service. "State Options Report." <https://fns-prod.azureedge.net/sites/default/files/snap/14-State-Options.pdf>.