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FISCAL IMPACT STATEMENT

LS 6805

BILL NUMBER: HB 1354

NOTE PREPARED: Jan 27, 2022

BILL AMENDED: Jan 25, 2022

SUBJECT: Requirements for SNAP Participants.

FIRST AUTHOR: Rep. DeVon

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that the Division of Family Resources (DFR) of the Family and Social Services Administration (FSSA) shall require noncustodial parents to cooperate with the child support bureau as a condition of eligibility for assistance under the Supplemental Nutrition Assistance Program (SNAP).

It also requires the DFR to disqualify an individual from receiving assistance under SNAP during any 45-day period in which the individual is delinquent in any payment due under a child support order.

This bill requires the DFR to assign individuals who are subject to federal work requirements for SNAP eligibility to an employment and training program.

Effective Date: July 1, 2022.

Explanation of State Expenditures: The bill will add to the workload of the DFR and its Indiana Manpower Placement and Comprehensive Training (IMPACT) contractor to provide employment and training programs.

Additional Information - SNAP is administered by the state on behalf of the U.S. Department of Agriculture. The administrative costs are shared between the state and the federal government, while the federal government pays for all benefits. In December 2019, Indiana SNAP recorded 561,830 participants from 253,126 households. In FFY 2019, about 9.4% of the SNAP households were comprised of able-bodied adults without dependents that are subject to work requirements. Mitigating the workload increase is that new federal rules allow connections to Workforce Innovation and Opportunities Act agencies to provide services.

Explanation of State Revenues: The bill would likely have a very minimal fiscal impact concerning federal incentive payments for child support collections. The Department of Child Services may receive additional incentive funds if disqualification from SNAP participation would reduce cases paying in arrears, or noncustodial parents would cooperate with the Child Support Bureau.

Additional Information - Federal incentive payments for child support collections allow the state to receive up to 4.5% of its collections base. Between FFY 2016 and FFY 2019, Indiana received \$12 M per year in incentive payments.

States may adapt their SNAP program with 24 optional changes. In October 2017, eight states report child support disqualifications; six disqualify for noncooperation, and two disqualify for arrearage. Information on child support collections from those states is inconclusive. For Indiana between FFY 2016 and FFY 2020, child support cases with noncooperation increased by 30% from 301 to 391 and child support cases in arrears decreased 10.7% from 233,432 to 208,385.

Explanation of Local Expenditures: Child support services are provided by DCS through contracts with county prosecutors.

Explanation of Local Revenues:

State Agencies Affected: Department of Child Services; Department of Family Resources; IMPACT.

Local Agencies Affected: County prosecutors.

Information Sources:

<https://fns-prod.azureedge.net/sites/default/files/resource-files/FY19-state-activity-report.pdf>;
<https://fns-prod.azureedge.net/sites/default/files/snap/14-State-Options.pdf>;
<https://www.in.gov/fssa/dfr/files/MMR-STATEWIDE-en-us-December-2019.pdf>;
https://www.acf.hhs.gov/sites/default/files/documents/ocse/fy_2020_preliminary_data_report.pdf;
<https://fns-prod.azureedge.net/sites/default/files/resource-files/Characteristics2019.pdf>.

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