PRELIMINARY

SB 438 STAFF MEASURE SUMMARY

Senate Committee On Human Services

Prepared By: Iva Sokolovska, LPRO Analyst
Meeting Dates: 3/8, 3/13

WHAT THE MEASURE DOES:

Requires the Department of Human Services (DHS) to seek federal approval to exclude monthly distributions of an advance payment of the working family household and dependent care expenses tax credit in determining eligibility for Supplemental Nutrition Assistance. Requires DHS to report the status of the request to the Legislative Assembly by September 15, 2024. Sunsets January 1, 2029. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Receiving assistance in sums yearly vs monthly
- Benefit barriers to receiving Supplemental Nutrition Assistance Program (SNAP)
- Benefit cliff with monthly payments of tax credit

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Supplemental Nutrition Assistance Program (SNAP) provides nutrition benefits to supplement the food budget of needy families so they can purchase healthy food and move towards self-sufficiency. The size of a family's SNAP benefit is based on its income and certain expenses. Household (all individuals who live together in the same residence and who purchase and prepare food together) income for purposes of the supplemental nutrition assistance program considers income from all sources, including earned income (before payroll taxes are deducted) and unearned income, such as cash assistance, Social Security, unemployment insurance, and child support. To be SNAP eligible, a household needs to have:

1. Gross monthly income must be at or below 130 percent of the poverty line. For a family of three, the poverty line used to calculate SNAP benefits in federal fiscal year 2023 is $1,920 a month. Thus, 130 percent of the poverty line for a three-person family is $2,495 a month, or about $29,940 a year. The poverty level is higher for bigger families and lower for smaller families. Households with members who are older adults or have a disability and households that are "categorically eligible" for SNAP because they participate in another economic security program — such as Temporary Assistance for Needy Families or Supplemental Security Income — are not subject to the gross income test.
2. Net income, or household income after deductions are applied, must be at or below the poverty line.
3. Assets must fall below certain limits: households without a member aged 60 or older or who has a disability must have assets of $2,750 or less, and households with such a member must have assets of $4,250 or less.

7 U.S.C. 2014(d)(18) does not allow the Department of Human Services (DHS) to exclude wages, salaries, or benefits from certain grants (Grants to States for Old-Age Assistance for the Aged; Federal Old-Age, Survivors, and Disability Insurance Benefits; Grants to States for Aid and Services to Needy Families with Children and for Child-Welfare Services; Grants to States for Aid to the Blind; Grants to States for Aid to the Permanently and Totally Disabled; Grants to States for Aid to the Aged, Blind, or Disabled) regular payments from a government source (such as unemployment benefits and general assistance), worker's compensation, or child support payments made to a household member by an individual who is legally obligated to make the payments.

Senate Bill 438 would allow DHS to exclude monthly distributions of an advance payment of the tax credit that can be claimed for expenses for care of a qualifying individual.

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