SB 64 STAFF MEASURE SUMMARY

Senate Committee On Human Services

Action Date: 02/04/25

Action: Do pass and requesting subsequent referral to Ways and Means be rescinded.

Vote: 5-0-0-0

Yeas: 5 - Gelser Blouin, Linthicum, Nash, Prozanski, Reynolds

Fiscal: No fiscal impact **Revenue:** No revenue impact

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Meeting Dates: 1/23, 2/4

WHAT THE MEASURE DOES:

The measure directs the Department of Human Services to request a waiver from the United States Department of Agriculture (USDA) that would prevent monthly advance payments of the dependent care tax credit from impacting eligibility determinations for the Supplemental Nutrition Assistance Program (SNAP). The measure requires the department to report annually on the status of the waiver request to the Legislative Assembly following approval or denial of the request by USDA.

Detailed Summary

- Directs the Department of Human Services to apply to USDA for a waiver from the federal requirements under 7 U.S.C. 2014(d)(18) in order to exclude monthly advance payments of the dependent care tax credit established under ORS 315.264 from eligibility determinations for SNAP.
- Requires the department to submit the waiver application within 90 days of the effective date.
- Requires the department to report to the Legislative Assembly on the status of the waiver request by September 15, 2026, and each year by that date following approval or denial of the request by USDA.
- Sunsets January 2, 2031.
- Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Effects of monthly payments versus annual payments of tax credit payments when making eligibility determinations
- History of changes to SNAP benefits
- Previous legislative history
- Fiscal and revenue impact of the measure

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Supplemental Nutrition Assistance Program (SNAP), formerly called food stamps, is a public benefits program administered by the United States Department of Agriculture's Food and Nutrition Service (FNS). SNAP provides benefits via Electronic Benefits Transfer (EBT) cards that may be redeemed at participating businesses to purchase food. Eligibility to receive SNAP benefits is mainly income-based, although there are exceptions for certain populations. The Oregon Department of Human Services (ODHS) is responsible for performing eligibility determinations through the Oregon Eligibility Partnership. Federal law allows ODHS to not consider certain types of household income when determining eligibility for SNAP, such as cash and medical assistance, but other types of payments such as unemployment benefits, child support, worker's compensation, and other types of public benefits must be considered unless the state applies for a waiver from USDA.

Carrier: Sen. Hayden

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The Working Family Household and Dependent Care Credit (WFHDC), established in 2015, allows households under certain income levels to receive a refundable income tax credit that partially reimburses the cost of providing care for children under 13 and adults with disabilities while family members are working, looking for work, or attending school. The amount refunded by this credit as a partial reimbursement of qualified expenses varies depending on household size, income, and dependent age.

The Legislative Assembly previously considered <u>Senate Bill 438</u> in 2023 that would have required ODHS to apply for a waiver to exclude WFHDC payments from eligibility determinations for SNAP, but the bill was not enacted. The Legislative Assembly also passed <u>House Bill 3235</u> in 2023 that created a new refundable tax credit for families with young children and directed ODHS to apply for a similar waiver to exclude payments from that tax credit from SNAP eligibility determinations, but the federal government rejected the request.