

HF3277 - 0 - "Food Stamp Employment and Training Prog"

Chief Author: **Nick Zerwas**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/22/2016**
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	-	4,400	-	-	-
Total	-	-	4,400	-	-	-
Biennial Total			4,400			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Travis Bunch Date: 3/22/2016 5:12:33 PM
 Phone: 651 201-8038 Email travis.bunch@state.mn.us

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2015	FY2016	FY2017	FY2018	FY2019
General Fund		-	-	4,400	-	-
Total		-	-	4,400	-	-
Biennial Total				4,400		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
General Fund		-	-	(4,400)	-	-
Total		-	-	(4,400)	-	-
Biennial Total				(4,400)		-

Bill Description

Section 1 of this bill amends Minnesota Statutes 2014, section 256D.051 to require that federal reimbursement from the United States Department of Agriculture (USDA) for food stamp employment and training, also referred to as Supplemental Nutrition Assistance Program Employment & Training (SNAP E & T), be used for skill attainment services for food stamp participants, and up to 10 percent of the federal reimbursement may be used for administrative costs related to capturing additional federal funds. This provision includes a report due to legislative committees with jurisdiction over the food stamp program on securing additional federal reimbursement by February 15, 2017.

Section 2 amends language from Laws 2014, chapter 312, article 31, section 3 to remove the requirement that in fiscal year 2017, \$4.4 million in federal reimbursement from Supplemental Nutrition Assistance Program Employment & Training no longer be deposited in the general fund.

Assumptions

The bill language does not specify an effective date, so is assumed to be effective July 1, 2016.

States can claim a 50 percent federal reimbursement rate for non-federal expenditures on authorized SNAP E & T activities designed to help SNAP participants gain and retain employment. Activities include but are not limited to job training and education activities, including ESL, GED and post-secondary education. States submit an annual plan that describes their plan to provide employment and training services to participants and includes an estimate of expenditures. This plan must be approved by the federal Food and Nutrition Service.

Section 1 includes a requirement that federal reimbursement funds be used for specific purposes outlined in the bill. These are allowable uses under federal law. There is also report due to the legislature in February 2017. There is no cost associated with the development of this report as this is part of the current scope of work being done by the department.

Section 2 redirects federal reimbursements that would, under current law, be deposited in the general fund in SFY2017 to be instead retained by the Department of Human Services and used for employment and training benefits for food stamp participants. The resulting loss of General Fund revenue is a one-time cost to the General Fund of \$4.4 million in SFY2017.

Expenditure and/or Revenue Formula

Fiscal Summary (\$000s)						
Description	Fund	BACT	FY2016	FY2017	FY2018	FY2019
SNAP E & T Dedicated Revenue	GF	REV2	0	4,400	0	0
Total Net Fiscal Impact	GF	REV2	0	4,400	0	0
Full Time Equivalents						

Long-Term Fiscal Considerations

There is a one-time cost to implement the changes in this bill.

Local Fiscal Impact

This change would increase federal reimbursement funds available to supplement funding for counties and tribes to provide employment services for Supplemental Nutrition Assistance Program (SNAP) participants.

References/Sources

Ramona Scarpace, Economic and Employment Supports Division

Minnesota Department of Human Services

651-431-3938#

Agency Contact: Jenny Ehrnst 651-431-3831

Agency Fiscal Note Coordinator Signature: Don Allen

Phone: 651 431-2932

Date: 3/22/2016 3:20:17 PM

Email: Don.Allen@state.mn.us