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FISCAL IMPACT STATEMENT

LS 6668

BILL NUMBER: HB 1142

NOTE PREPARED: Feb 17, 2011

BILL AMENDED:

SUBJECT: Access to Supplemental Nutrition Assistance.

FIRST AUTHOR: Rep. Smith V

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that an individual who has been convicted of a felony involving a controlled substance and who has completed or is participating in a substance abuse treatment program may receive assistance under the federal Supplemental Nutrition Assistance Program (Food Stamps).

The bill requires the Department of Correction (DOC) to assist an offender in applying for supplemental nutrition assistance.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Summary:* Since Food Stamp benefits are provided by the federal Department of Agriculture but administered by the Indiana Division of Family Resources (DFR), this bill would likely have a small administrative fiscal impact on DFR. Participants may also be required to participate in the Indiana Manpower Placement and Comprehensive Training (IMPACT) Program which is designed to help recipients of Food Stamps and TANF achieve economic self-sufficiency. [Note: There could be a related reduction of expenditures in the local Poor Relief programs to the extent that food stamp assistance would substitute for local assistance. See *Explanation of Local Expenditures*, below.]

Background Information- Federal Opt-Out Provision: Currently under federal law, Food Stamp benefits are not available to individuals convicted after August 2, 1996, of an offense classified as a felony and which has as an element the possession, use, or distribution of a controlled substance. States may by specific statute exempt any or all individuals affected by the statute. States may also limit the period that the exemption applies. P.L. 92-2005 specified that Indiana elected to opt out of this federal prohibition only for individuals

successfully participating in a reentry court program in any county in Indiana.

This bill would allow additional offenders that otherwise would not qualify to receive federal Food Stamps upon release to receive assistance by including offenders that have completed treatment or are participating in substance abuse or mental health treatment.

The DOC has reported that of 19,608 offenders released in CY 2009, 2,503 had at least one controlled substance offense. If the offender chooses not to participate in treatment, the current sanction remains in place, however. The bill contains no provisions regarding individuals that do not comply with the requirements of the substance abuse treatment program.

The bill also requires DOC to assist an offender with an application for Food Stamps. DOC reports that as part of the reentry process, offenders are assisted with preliminarily completing an application for Food Stamps. However, it is the responsibility of the offender to follow up with their local FSSA office to submit the completed application for eligibility determination.

Background on Funding Under the Food Stamps Program: Food Stamp benefits are federally funded with administrative expenditures equally shared between the state and federal government. The state's responsibility is primarily in application processing, eligibility determination, and benefit issuance. The state also conducts the IMPACT Program. Expenses of the IMPACT Program are equally shared between the state and federal government.

Food Stamp benefits are used for eligible food items and for plants or seed to grow food to eat. Benefit levels depend on household size, net monthly income, and inflation-indexed maximum monthly benefit levels. The benefit is calculated taking into account the household's expected gross income minus certain allowable deductions.

Explanation of State Revenues:

Explanation of Local Expenditures: Since many offenders with felony drug convictions currently do not qualify for Food Stamp assistance, they may apply for emergency assistance with township trustees.

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Division of Family Resources; DOC.

Local Agencies Affected: Township trustees.

Information Sources: DOC.

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