

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 15, 2021

TO: Honorable James B. Frank, Chair, House Committee on Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB343 by Cain (Relating to prohibiting the purchase of certain food and drink items under the supplemental nutrition assistance program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB343, As Introduced : a negative impact of (\$2,375,151) through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$2,375,151)
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>
2022	(\$2,375,151)
2023	\$0
2024	\$0
2025	\$0
2026	\$0

Fiscal Analysis

This bill would amend Chapter 33 of the Human Resources Code by adding a new section that prohibits the purchase of certain foods and beverages under the Supplemental Nutrition Assistance Program (SNAP). The section would prohibit the purchase of energy drinks, sweetened beverages, carbonated beverages, and candy, potato or corn chips, and cookies packaged and sold for consumption without further preparation necessary.

Methodology

According to the Health and Human Services Commission (HHSC), implementing the provisions of the bill

would result in a cost of \$2,375,151 in General Revenue and \$2,375,151 in All Funds in fiscal year 2022. SNAP benefits are regulated by the U.S. Department of Agriculture Food and Nutrition Services (FNS). FNS is responsible for enforcing the definition of eligible foods and approving any restrictions that change what items can be purchased with SNAP benefits. In order to implement the provisions of the bill, HHSC would be required to apply for, and receive approval of a waiver that would allow the state to limit the items that can be purchased with SNAP benefits. This analysis assumes that HHSC would apply for and receive approval of the waiver.

According to HHSC, the agency would incur a one-time cost of \$2,207,151 for sending notifications to provide communication and education about the changes proposed by the bill. The estimated cost assumes mailing 1,566,768 notices to SNAP households, at an approximate cost of \$1.41 per household.

Technology

According to HHSC, implementing the provisions of the bill would result in a one-time technology cost of \$168,000 due to application and system modifications to the Texas Integrated Eligibility Redesign System (TIERS).

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Hlth & Human Svcs Comm

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