

Fiscal Note

BILL # SB 1071

TITLE: SNAP; TANF; public welfare; verification

SPONSOR: Kavanagh

STATUS: Senate Engrossed

PREPARED BY: Grace Timpany

Description

This bill would:

- Require the Department of Economic Security (DES) to use records from various departments and federal sources to verify Supplemental Nutrition Assistance Program (SNAP) eligibility information on at least a monthly basis;
- Post on the public website information on noncompliance and fraud investigations related to SNAP;
- Review out-of-state Electronic Benefits (EBT) Card transactions to determine whether an individual resides within Arizona

Estimated Impact

We estimate that the bill would increase DES' administrative costs through requiring more frequent redeterminations of member eligibility. Additionally, we estimate the bill would increase administrative costs for agencies to share relevant information with DES.

DES estimates a total impact of \$66.6 million ongoing and \$1.4 million in one-time costs. Of that, \$34.0 million would be from the General Fund and \$34.0 million would be from SNAP federal dollars. We concur with the agency that the bill would increase its administrative costs, but we consider its estimates to be speculative, as we cannot determine in advance how many additional eligibility re-determinations would occur as a result of the data reviews required by the bill.

To the extent that the bill would reduce SNAP caseloads, savings would be accrued to the federal government because SNAP benefits are 100% federally funded.

Analysis

DES currently verifies SNAP recipients' eligibility information including income, residency, and identity upon initial application and renewal of benefits. The typical time between initial eligibility determination and renewal of eligibility (called the "certification period") is at least 12 months based on DES policy and federal guidelines, but renewal periods can range from 3 months to 2 years depending on the recipient's circumstances. Federal law permits states to shorten that period if the state agency receives information that the household has become ineligible for benefits. In addition, under current law, SNAP recipients are required to report information, such as a change in income, that would impact their eligibility for benefits.

Under this bill, the Department would need to review specified eligibility information on a monthly or quarterly basis. We believe some of the data required to be reviewed by the bill is already collected by the agency under current DES policy. For example, the department's federally-required State Verification Exchange System (SVES) already includes data from social security databases, unemployment benefits, and child support income. The Department also already treats any lottery winnings information received from the Arizona Lottery Commission as "verified on receipt" as prescribed in the bill.



To the extent that the bill results in DES receiving new data related to eligibility not currently available to the agency or results in the agency reviewing eligibility data with greater frequency, the bill would increase the number of SNAP eligibility re-determinations completed by the agency relative to current law. The magnitude of the increase would depend on how often the information reviewed indicates a current recipient has become ineligible, which we cannot determine in advance.

Local Government Impact

None

3/24/25