

OFFICE OF FISCAL ANALYSIS

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sSB-1418

AN ACT REDUCING BARRIERS TO FOOD SECURITY.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Social Services, Dept.	GF - Cost	\$18.8 million	\$18 million
Social Services, Dept.	GF - Cost	See Below	See Below
Resources of the General Fund	GF - Revenue Gain	375,000	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

Section 1 results in a cost to the Department of Social Services (DSS) associated with applying for an 1115 Medicaid waiver to provide Medicaid coverage for food as medicine. DSS will incur costs of approximately \$750,000 for contractual support to develop the waiver, with an associated federal grants revenue gain of \$375,000. The state will also incur programmatic costs to provide Medicaid coverage for food as medicine. The extent of such costs depends on the scope and structure of the program.

Section 2 results in a cost of approximately \$18 million annually to reflect increasing the minimum monthly supplemental nutrition assistance benefit to from \$23 to \$95. Based on household payments made in January 2025, increasing the minimum monthly payment to \$95 costs an additional \$1.5 million per month. DSS may incur administrative costs (with a corresponding revenue gain to reflect the federal share of expenditures) if system changes are required to meet

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the provisions of the bill.

Section 2 also results in a cost to DSS resulting from increased SNAP payments associated with establishing a healthy food incentive program, by 9/1/25. The program gives SNAP beneficiaries \$1 for every dollar in SNAP benefits they spend on fresh produce at certified farmers' markets, up to \$50 per month. For context, there are approximately 224,000 households receiving SNAP benefits in the state. For purposes of an example, if 10% of households utilize the monthly maximum credit of \$50, the state would incur additional costs of approximately \$1.1 million per month.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to Medicaid coverage and utilization of food as medicine and utilization of the healthy food incentive program.