

# *Senate Bill 764:* Modifies the eligibility requirements for food stamp assistance



## *Missouri Association for Social Welfare* *Lifetime Food Stamp Ban* *Economic Impact Study*

The 1996 Federal Welfare Reform laws created a lifetime ban on Food Stamps for individuals convicted of drug-related felonies. No other felony conviction (i.e. rape, murder, sex offense) results in a loss of Food Stamp eligibility for a person's lifetime. This same law does allow states to "opt out" of the ban. Because of this "opt out" provision, only 14 states still completely deny benefits to ex-drug offenders. **Missouri is one of these states.** The other 36 states that have opted out of the ban, in whole or in part, are receiving the federal funds that Missouri is not receiving and won't receive until it opts out of the ban.

**The State of Missouri will benefit economically if the State Legislature would pass SB 764** to opt out of the Federal ban. The data below shows how economically beneficial opting out of the ban would be for Missouri. The following information is from USDA's Food and Nutrition Service (FNS).

- 16,249** ----- Individuals currently affected by the lifetime ban. This is the number of people who are coded in Missouri's Family Management Information System (FAMIS) as having a drug felony conviction. (FNS)
- \$904.56** ----- Average annual **federal** Food Stamp award per person in MO (\$75.38 per month). (FNS)  
<http://www.fns.usda.gov/pd/18fsavgben.htm>
- \$28.19** ----- Annual cost to the State of Missouri per individual receiving food stamps. (FNS)
- \$1.84** ----- Amount of economic activity generated for each \$1 in Food Stamp benefits given. (FNS)  
[http://www.fns.usda.gov/fsp/outreach/pdfs/bc\\_facts.pdf](http://www.fns.usda.gov/fsp/outreach/pdfs/bc_facts.pdf)

**Annual Benefit from lifting the ban for the Grocers and for the State:**

(Multiply column figures to arrive at the shaded total)

	Individuals	Average Annual Food Stamp Benefit per person	<b>Direct Benefit to Grocers</b>	Economic Activity Generated per \$1 of Food Stamp benefit	<b>Total Benefit to State</b>
Current Annual Benefit to State	16,249	x \$904.56	= <b>14,698,195.44</b>	x \$1.84	= <b>\$27,044,679.60</b>

**Annual Cost to the State to lift the ban:**

(Multiply column figures to arrive at the shaded total)

	Individuals	Annual Cost per person	<b>Annual Cost to State</b>
Current Annual State Cost Per FS recipient	16,249	x \$28.19	= <b>\$ 458,059.31</b>

**Annual Net Benefit to State from lifting the ban**

(Subtract column numbers to arrive at shaded total)

<b>Annual Benefit -</b>	<b>Annual Cost</b>	<b>=</b>	<b>Annual Net Benefit to State</b>
<b>\$27,044,679.60 -</b>	<b>\$ 458,059.31</b>	<b>=</b>	<b>\$26,586,620.29</b>