

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	147,342		148,958	
CASH FUNDS				
FEDERAL FUNDS	1,443,630		1,442,014	
OTHER FUNDS				
TOTAL FUNDS	1,590,702		1,590,972	

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

This bill removes the asset test for the Aid to Dependent Children Program (ACD) and the Supplemental Nutrition Assistance Program.

Based on the average monthly number of ADC cases that are denied due to excess assets, there would be an increase of approximately 20 cases a month or 240 a year. Using the average monthly payment of \$327, the cost would be \$942,768 annually. The Temporary Assistance to Needy Families (TANF) balance at the end of September 2014, was \$52,596,459. This cost could be paid from federal funds. The Department of Health and Human Services indicated \$188,554 from General Funds and \$754,214 from federal funds.

The average monthly number of SNAP cases that have been closed due to excess resource limits is nine or 108 annually. The average monthly allotment \$265. This would increase SNAP expenditures by \$343,212 annually paid from federal funds.

If more families qualify for ADC, the cost for Transitional Medicaid would increase. Transitional Medicaid covers parents and caretaker relatives for twelve months when they no longer qualify for the ADC grant due to earnings. Based on the average annual cost of Medicaid for an ADC adult of \$4,236, the costs would be \$304,992 (\$147,342 GF and \$157,650 FF in FY 16; and \$148,958 GF and \$156,034 FF in FY 17).

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 147	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 1/30/15	PHONE: 471-4173
COMMENTS: Agency analysis and estimate of fiscal impact appear reasonable.			

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Mason

Date Prepared:(4) 1-29-15

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	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$335,896		\$337,512	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$1,255,071		\$1,253,455	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$1,590,967		\$1,590,967	

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

**Explanation of Estimate:**

LB 147 eliminates the resource maximum for the Aid to Dependent Children (ADC) and Supplemental Nutrition Assistance (SNAP) programs. The Department is unable to determine the exact fiscal impact of this bill. There is no data available to calculate the number of families with large liquid resources, that would have a low enough income to be eligible for these programs, as most of these people would not have applied for assistance in the past, or would be over income for the program regardless of the resource limit.

Using the following assumptions: a monthly average of 20 ADC cases have been closed or denied due to excess resources during the last six months. Annually this would translate to 240 cases. With 240 additional ADC cases and an average monthly ADC grant amount of \$327.35, ADC aid expenditures would increase \$78,564 per month, or \$942,768 (\$754,214.40 FF, \$188,553.60 GF) annually. A monthly average of 9 SNAP cases have been closed or denied due to excess resources during the last six months. Annually this would translate to 108 cases. With 108 additional SNAP cases and an average monthly SNAP allotment of \$264.82, SNAP expenditures would increase \$28,600.56 per month, or \$343,206.72 annually, all federal funds.

Under the rules of the Affordable Care Act (ACA), there are no resource limits for the eligibility categories affected by this bill. However, if there are more ADC enrollees, there could also be an increase in Transitional Medical Assistance (TMA) enrollees when their ADC grant is lost due to earned income. If 30% of the annual 240 cases has one enrollee in TMA per year, and those 72 enrollees are at an average annual cost of \$4,236 per ADC adult, the total increase in expenditures could be approximately \$304,992 total (\$147,342 GF, \$157,650 FF) in SFY16 and \$304,992 total (\$148,958 GF, \$156,034 FF) in SFY17.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2015-2016 EXPENDITURES	2016-2017 EXPENDITURES
	15-16	16-17		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$1,590,967	\$1,590,967
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$1,590,967</b>	<b>\$1,590,967</b>

