

Revised based on amendments adopted through 4-28-21

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	\$457,176		\$443,339	
OTHER FUNDS				
TOTAL FUNDS	\$457,176		\$443,339	

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

This bill increases the gross income limit for the Supplemental Nutrition Assistance Program (SNAP). The gross income limit would be increased to 165% of the Federal Poverty Limit (FPL) but the net income eligibility limit of 100% of FPL remains the same. The increased eligibility would be in effect through September 30, 2023. The bill states legislative intent that the administrative costs would be paid from federal funds provided under the American Rescue Plan Act. Administrative funds would not be paid from General Funds. The bill as amended also requires all households not otherwise exempt from work requirements to be referred to the SNAP Next Step Program if the program’s services are available in the county where the household resides. The bill requires the Department of Health and Human Services to evaluate the TANF-funded program or policy created contained in the bill and report to the Health and Human Services Committee and Legislative Fiscal Office on or before December 31, 2022 regarding the gross eligibility limit and whether it maximizes the number of Nebraska residents being served. The department is directed to make a recommendation regarding the gross eligibility limit and the availability of federal funding. The bill contains the emergency clause.

Eligibility for SNAP must meet a two-pronged gross and net income test. The current gross income eligibility limit for households is 130% FPL. This bill would increase it to 165%, but the current net income eligibility limit is retained. This would allow individuals and households with higher incomes to qualify for SNAP, if they also have higher allowable expenses which are deducted from gross income. Examples of income deductions are shelter costs, child care expenses and child support payments.

Based on the U. S. Census, the potential pool of additional eligible individuals and families would increase by 58,855 households. The department estimates that approximately 25% or 14,714 of these households would apply. In SFY 2019, the department issued 22,234 denials to households applying for SNAP, LIHEAP or the child care subsidy due to exceeding the 130% of FPL income limit. (Applications for multiple programs that were denied count as one denial, if in the same month.) The current number of households applying but not qualifying exceeds the department’s current estimate of 14,714 households that would apply but not be eligible. The department estimates that of the household that apply, 3,476 would meet the net income limit after applying deductions for allowable expenses. Assuming the department’s estimate that an ongoing SNAP case takes an additional three hours of processing a year (five hours total less two hours of initial eligibility determination), the total number of processing hours would be 10,428. Six social service workers, one case aide and one supervisor would be needed. The costs would be \$124,200 for two months in SFY 2021; \$441,176 in SFY 2022 and \$443,339 in SFY 2023.

The American Rescue Plan of 2021 which was signed on March 11, 2021. It includes additional funding “. . . for the costs of State administrative expenses associated with carrying out this section and administering the supplemental nutrition assistance program established under the Food and Nutrition Act of 200.” Federal guidance issued on March 13, 2021, also states, the Act allocates funds “. . . for State administrative expenses associated with carrying out Section 1101(b) and administering SNAP established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 20 et seq.)” Further guidance was requested by the Legislative Fiscal Office from the USDA Food and Nutrition Service on whether ARPA administrative funds can be used to fund the administrative costs from the eligibility increase contained in LB 108. The Regional Grants Manager Branch Chief in Denver confirmed in an email that the federal funds under the ARPA are allowed. The email stated, “. . . the funds can be used just as you would normally use SNAP SAE. We feel Nebraska’s desire to utilize the administrative fund from the American Rescue Plan Act to cover administrative costs associated with temporarily expanding the SNAP population in Nebraska to 165% FPL for the gross income test is something we would see as normal use of SAE funds. Assuming Nebraska is not changing the program that confers categorical eligibility for SNAP other than to increase the gross income limit for that program, no further scrutiny is necessary on behalf of FNS. If, however, Nebraska is making substantive

changes to that program or to the funding of that program, FNS will need additional information about those changes". The additional funding is available through September 30, 2023, and does not require a state match. The estimated additional funding for Nebraska is \$3 million. The available funding by federal fiscal year is \$1,170,000 in FFY 2021 and FFY 2022 and \$660,000 in FFY 2023. Federal funds will cover the cost of this bill through the next biennium.

The bill as amended requires those qualifying under the provisions of this bill be referred to the SNAP Next Program under the Department of Labor if they are not otherwise exempt from work requirements and the services are available in their county of residence. The program in the Department of Labor is federally funded. Some services under SNAP Next Step are provided by the Department of Health and Human Services. There is a minimal fiscal impact for those services.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB: 108	AM: 975	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services		
REVIEWED BY:	Ann Linneman	DATE:	4-21-2021	PHONE: (402) 471-4180
COMMENTS: The Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact to the department appears reasonable.				