

Revised based on amendments adopted through 5-13-21

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

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

**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 encourages households not otherwise exempt from work requirements to participate in the SNAP Next Step Program if the program’s services are available in the county where the household resides. The Department of Labor is to provide the services of the SNAP Next Step Program to the extent that federal funding is available. 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 encourages households to participate in the SNAP Next Step Program in the Department of Labor. The Department of Labor is to serve additional clients to the extent that federal funds are available to cover the costs. Some clients are referred back to the Department of Health and Human Services for additional support services. Those additional services have a nominal fiscal impact. DHHS also indicates the potential need for a Work Force Coordinator. That position if needed would be covered by federal funds.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	108	AM:	1421 AGENCY/POLT. SUB: Nebraska Department of Labor
REVIEWED BY:	Ann Linneman	DATE:	5-17-2021 PHONE: (402) 471-4180
COMMENTS: No basis to disagree with The Nebraska Department of Labor's analysis and estimate of no fiscal impact.			

**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 Michalski

Date Prepared 5-18-2021

Phone: (5) 471-6719

	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
<b>GENERAL FUNDS</b>	\$6,200		\$6,200	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$1,637,970		\$1,634,470	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$1,644,170		\$1,640,670	

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

**Explanation of Estimate:**

LB108 AM975 changes the gross income eligibility determination in the Department of Health and Human Services (DHHS) Supplemental Nutrition Assistance Program (SNAP) from 130% to 165% federal poverty level (FPL). However, the net income limit determination will remain at 100% FPL. SNAP is a dual-income test program. An individual must first meet the gross income eligibility limit and if the individual's income is below the gross income guidelines then the individual's deductions may be considered in order to reach the net income limit of 100%. This change would require additional eligibility system updates and additional workload and training to eligibility staff.

Based on US Census Bureau estimates of Nebraska population by FPL for 2019, it is estimated that there are 128,669 living between 130%-165% FPL. In SFY2020 the total number of individuals who received SNAP was 158,328 and the number of SNAP cases was 72,422 which averages 2.19 individuals per case. If there are 128,669 potential clients between 130%-165% FPL then there would be 58,855 potential cases. It is assumed that 25% of these cases, or 14,714, would apply for SNAP benefits. Of those 14,714 who apply, it is assumed that 11,238 applicants would be denied due to the dual-income requirements. It becomes more difficult for individuals at a higher FPL to be eligible due to the dual-income test. It takes 2 hours processing time by Social Service Workers (SSW) to handle these applications, or 22,476 hours annually. The remaining 3,476 applicants would be new ongoing eligible SNAP cases. Eligible SNAP cases take 5 hours of annual processing time to recertify and update various information as changes occur. These new eligible SNAP cases would require 17,380 SSW hours annually. Therefore, the administrative hours required for this new population would be 39,856 annual hours.

The Department of Health and Human Services would require 20 additional new Social Service Workers, 2 Social Services Supervisors, and 2 Case Aides. It is estimated to take 10 hours of IT time to update NFocus at \$35 per hour for a total cost of \$3,500.

SNAP benefits are paid directly by the federal government.

AM1082 allows additional SNAP funding of the Federal American Rescue Plan Act (ARPA) to be utilized through September 30<sup>th</sup>, 2023. After this date, the SNAP gross income limit will return to 130% FPL. The ARPA funds can be used towards administrative costs associated with temporarily expanding the SNAP gross income eligibility to 165% FPL. Once ARPA is fully utilized, any additional expenditures incurred will utilize the General Fund and Federal Fund for SNAP Administration.

AM1196 and AM1421 state that any SNAP recipient whose income is between 131% - 165% FPL until September 30<sup>th</sup>, 2023 will be encouraged to participate in the SNAP Next Step Program (run by Department of Labor (DOL)) as long as all program requirements are met by the individual. SNAP Next Step Program is a partnership program between the DHHS and DOL to assist under-employed and unemployed recipients of SNAP benefits in finding self-sufficient employment. Approximately 14% of SNAP recipients are eligible for

SNAP Next Step requirements (work requirements, residential county) or an estimated 1,066 individuals. Of the 1,066, it is estimated that 1.5% of the individuals would fully enroll in the program (16 total people per year) for an average of \$155 per month and 5 months of enrollment (based on the current program). This would mean an estimated aid expense of \$12,400 per year. SNAP Employment and Training is paid with 50% GF and 50% FF. ARPA funds would not be available for these new benefits. DHHS would also need to hire 1 additional Work Force Coordinator to handle the increased amount of cases and the referral work necessary for the program. This position would be paid with 100% FF (non-ARPA). The cost per year would be \$69,157 per year.

As there is an emergency clause for LB 108, all staff will be hired by July 1, 2021.

<b>MAJOR OBJECTS OF EXPENDITURE</b>				
<b>PERSONAL SERVICES:</b>				
POSITION TITLE	NUMBER OF POSITIONS		2021-2022	2022-2023
	21-22	22-23	EXPENDITURES	EXPENDITURES
C72172 Social Services Worker	20	20	\$744,765	\$744,765
S72110 Case Aide	2	2	\$52,391	\$52,391
V72174 Social Service Supervisor	2	2	\$93,895	\$93,895
C70130 Workforce Coordinator	1	1	\$39,524	\$39,524
Benefits.....			\$333,610	\$333,610
Operating.....			\$367,585	\$364,085
Travel.....				
Capital Outlay.....				
Aid.....			\$12,400	\$12,400
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$1,644,170</b>	<b>\$1,640,670</b>

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**2021**

**LB<sup>(1)</sup> 108, AM1421**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Labor

Prepared by: <sup>(3)</sup> Katie Thurber Date Prepared: <sup>(4)</sup> 5-13-2021 Phone: <sup>(5)</sup> 402-471-9912

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

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:** AM1421 encourages any recipient of Supplemental Nutrition Assistance Program benefits whose household income is between one hundred thirty-one and one hundred sixty-five percent of the federal Office of Management and Budget income poverty guidelines who is not exempt from work participation requirements to be referred to the Nebraska Department of Labor (NDOL) for enrollment in the SNAP Next Step Program. The SNAP Next Step Program is a partnership between the Nebraska Department of Health and Human Services (NDHHS), NDOL, and the local workforce development area under the Workforce Innovation and Opportunity Act (WIOA). Once a referral from NDHHS is made to the applicable local area, the individual is assigned a case manager. The case manager discusses WIOA Title I program eligibility with them. If interested, the individual is then provided information on applicable training programs and career resources. If enrolled in WIOA Title 1 program, the individual is co-managed by both NDHHS and the applicable local area program staff. The funding for WIOA Title 1 participation is federal funding through WIOA. AM1421 limits the program to existing federal funding available, as such, NDOL anticipates no fiscal impact.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>