

NEBRASKA

Good Life. Great Mission.

DEPT. OF HEALTH AND HUMAN SERVICES



Jim Pillen, Governor

December 15, 2024

The Honorable Ben Hansen
Members of the Health & Human Services Committee
Nebraska Legislature
P.O. Box 94604
Lincoln, NE 68509

Ms. Mikayla Finley
Legislative Fiscal Analyst
P.O. Box 94604
Lincoln, NE 68509

Subject: TANF-Funded SNAP Policy Report

Dear Chairman Hansen and Ms. Finley:

Nebraska Revised Statute 68-1017.02 requires the Department of Health and Human Services (DHHS) to report to the Health and Human Services Committee of the Legislature and the Legislative Fiscal Analyst on or before December 15, 2024, regarding the Supplemental Nutrition Assistance Program (SNAP) gross income eligibility limit increase and whether it maximizes the number of Nebraska residents being served under the program or policy. This report must include an identification and determination of additional administrative costs resulting from the increase to the SNAP gross income eligibility limit, a recommendation regarding the gross income eligibility limit increase, and a determination of the availability of federal funds for the program. The report is attached for your review.

Sincerely,

A handwritten signature in black ink that reads "Shannon Grotrian".

Shannon Grotrian
Director, Office of Economic Assistance

Attachment

Division of Children and Family Services: Office of Economic Assistance

TANF-Funded SNAP Policy Report

December 2024

Neb. Rev. Stat. § 68-1017.02(3)(b)(ii)

Supplemental Nutrition Assistance Program (SNAP) Report

Nebraska Revised Statute § 68-1017.02 states that the Department of Health and Human Services (DHHS) shall apply for and utilize to the maximum extent possible, within limits established by the Legislature, all appropriate options available to the State under the federal Supplemental Nutrition Assistance Program (SNAP) and regulations adopted under such program to maximize the number of Nebraska residents being served under such program within such limits.

This report addresses the SNAP gross income eligibility limit increase from 130% of the Federal Poverty Level (FPL) to 165% of the FPL and whether it maximizes the number of Nebraska residents served under the program. This report also includes identifying additional administrative costs resulting from the increase in the gross income eligibility limit, the availability of federal funds for the program, and a recommendation regarding the eligibility limit. The increase in the gross FPL was fully implemented as of July 2021.

Evaluation of SNAP Application Approvals and Participation

From October 1, 2023 through September 30, 2024, DHHS received 97,135 total applications requesting SNAP. Applications with gross income between 130% and 165% of the FPL accounted for 12,748 applications. Of those applications, 8,725 were approved for benefits. During FY23, 10,823 applications with gross income between 130% and 165% were approved. There has been a reduction in households approved with gross income between 130% and 165%. In June 2021, there were 73,590 active SNAP households when the increase in gross FPL began implementation. As of September 2024, there are now a total of 75,507 households receiving SNAP benefits, an increase of 2.6% since its inception.

Administrative Costs

DHHS has estimated the administrative costs associated with the increase in the FPL. The total increase in SNAP administrative costs is \$2,743,367 for FY24. In addition to the increased costs associated with the change in eligibility requirements, DHHS has seen an increase in the use of overtime necessary to process applications. DHHS utilized all available Federal ARPA COVID relief funds for administrative expenses related to the increase in SNAP applications. The federal fund obligation ended on September 30, 2023. Once the 100% Federal ARPA COVID funds were liquidated, DHHS began utilizing existing appropriations for administrative expenses.

Funding Availability

SNAP benefit amounts are 100% federally funded. However, Food Nutrition Services (FNS) and the State share administrative expenses equally. FNS can approve a 50% match for the

program's administrative costs, and the State of Nebraska is responsible for paying the other 50%. As previously noted, DHHS is utilizing existing state and federal fund appropriations to pay for the staff costs associated with increased SNAP eligibility.

Recommendation

The above evaluation demonstrates the applications received with income between 130% and 165% of the FPL due to the implementation of LB108 (2021). DHHS recommends that the Legislature consider this information, as well as changes that will be proposed at the Federal level, when determining future action related to SNAP eligibility limits. If no further action is taken, the SNAP income eligibility limit will be reduced to 130% of the FPL on October 1, 2025. This would reduce the number of families eligible to receive SNAP benefits; subsequently, the Department would anticipate a reduction in total approvals and overall program participation.