

PREPARED BY: Mikayla Findlay  
 DATE PREPARED: January 06, 2023  
 PHONE: 402-471-0062

**LB 88**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$0	\$0	

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

This bill would expand eligibility for the Supplemental Nutrition Assistance Program (SNAP) to any person convicted of a felony involving the possession, use or distribution of a controlled substance if the person has completed their sentence for the felony offense or is on parole, probation or post-release supervision for the felony. SNAP benefits are paid with 100% federal funds.

In the last three years, 943 cases were denied or closed due to drug felonies. DHHS indicates 75% of ineligible members are part of an existing SNAP household. As such, 707 ineligible people may potentially need to be added on to an existing household. DHHS estimates an increase of up to 141 participants annually under this bill. System updates and any additional volume of work can be handled within existing agency resources. Minimal fiscal impact.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>				
LB:	88	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman	DATE:	3-10-2023	PHONE: (402) 471-4180
COMMENTS: The Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact to the department appears 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) John Meals

Date Prepared 3-9-2023

Phone: (5) 471-6719

	<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$0	\$0	\$0	\$0

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

**Explanation of Estimate:**

LB 88 would change Supplemental Nutrition Assistance Program (SNAP) eligibility requirements for individuals with felony drug convictions and would result in an increase of SNAP cases. The Department of Health and Human Services (DHHS) would be required to complete a state plan update and regulation change. This would take at least 12-18 months. Earliest feasible implementation date would be January 1, 2025. SNAP benefits are paid directly by the federal government and administrative costs are 50% General Funds and 50% Federal Funds.

The SNAP Program currently allows individuals with one or two felony drug convictions involving the use or possession of controlled substances to receive SNAP benefits if the SNAP applicants participate in or complete an approved drug treatment program after the convictions. This bill would increase the number of people eligible for SNAP by allowing drug felons, regardless of the number or type of felony drug conviction as long as the convicted individual has completed their sentence for such felony or is serving a term of parole, probation, or post-release supervision. This bill would also impact the SNAP Employment and Training Programs, including Next Step, by increasing the amount of potentially eligible clients to participate in the program.

Over the last 3 years, DHHS has denied or closed an average of 943 SNAP participants related to drug felonies. Data shows that 75% of ineligible members are part of an existing SNAP household. This is 707 ineligible persons who potentially would need to be added to an existing household.

DHHS estimates an increase of at least 15% to account for those individuals who have never applied for benefits, but may under this new provision, which results in an additional 141 potential participants per year. This equates to 453 hours of work per year or estimated 0.25 FTE. DHHS will be able to manage the increase in applications with current staff.

System updates to the Department’s eligibility system (N-FOCUS) will need to be updated to modify the denial/closure reason and notices. DHHS estimates additional 43 hours of IT Business Analyst and 15 hours of Technical Analyst Expert work to make the necessary updates to the system. The total IS&T cost to make the necessary updates would be \$4,900. Additionally, training would need to be updated and eligibility operations would need to be informed of the changes. The department will absorb these costs.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2023-2024	2024-2025
		23-24	24-25	EXPENDITURES	EXPENDITURES

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Benefits.....		
Operating.....		
Travel.....		
Capital Outlay.....		
Aid.....		
Capital Improvements.....		
<b>TOTAL.....</b>		<b>\$0 \$0</b>