

PREPARED BY: Mikayla Findlay
 DATE PREPARED: January 04, 2024
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LB 920

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$33,435		\$54,309	
CASH FUNDS				
FEDERAL FUNDS	\$33,435		\$54,310	
OTHER FUNDS				
TOTAL FUNDS	\$66,870		\$108,619	

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

This bill requires that the Department of Health and Human Services (DHHS) establish a Restaurant Meals Program with the Supplemental Nutrition Assistance Program (SNAP) no later than July 1, 2025. The Restaurant Meals Program would allow household containing elderly or disabled members or homeless individuals to have the option to redeem SNAP benefits at private establishments that contract with DHHS to offer meals to eligible individuals.

The Restaurant Meals Program would require contracts with restaurants to offer meals to SNAP participants. To coordinate the Restaurant Meals Program DHHS would need to hire one Program Coordinator starting in October 2024 to oversee implementation, tracking, and reporting. The cost of the additional staff person amounts to \$66,870 in FY25 and \$108,619 in FY26. The staff person would be considered SNAP administration expense and qualify for 50% federal match. Additional costs to implement the program would be absorbed within current agency appropriations.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	920	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services
REVIEWED BY:	Ann Linneman	DATE:	2-15-2024
		PHONE:	(402) 471-4180
COMMENTS: Concur with the Nebraska Department of Health & Human Services' assessment of 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) John Meals

Date Prepared 2-15-2024

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$33,435		\$54,309	
CASH FUNDS				
FEDERAL FUNDS	\$33,435		\$54,310	
OTHER FUNDS				
TOTAL FUNDS	\$66,870	\$0	\$108,619	\$0

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

Explanation of Estimate:

LB920 would require the Department of Health and Human Services (DHHS) to establish a Restaurants Meals Program (RMP) as part of the Supplemental Nutrition Assistance Program (SNAP). Currently, this is a state option and DHHS may promulgate new regulations. To be eligible for the RMP, all members of the household must be either elderly (60 years of age or older) under 7 U.S.C. § 2012(j)(1), disabled (determined by SSA) under 7 U.S.C. § 2012(j)(2), homeless under 7 U.S.C. § 2012(l), or a spouse of a SNAP client who is eligible for the RMP. Eligible individuals could redeem their SNAP benefits at participating restaurants.

Prior to the implementation of an RMP, the State would need to gather, analyze, and provide the following information to Food and Nutrition Services (FNS):

1. Documentation of underserved RMP-eligible SNAP clients by sub-geographical area.
 - Data on the number of RMP-eligible SNAP clients compared to the total SNAP population by zip code, county, etc.
 - Determine where the RMP will be implemented in the state.
2. Approach for limiting participating restaurants to those that meet the documented need.
3. Number of estimated restaurants the State will select for participation.
4. Memorandum of Understanding (MOU) template between the State and participating restaurants.
5. Anticipated implementation date. The inclusion of RMP implementation in the State Plan will occur once the program is operational.

Furthermore, Title 475 NAC would require new sections to address the RMP. The regulations would need to detail eligibility requirements for RMP and how to identify participating restaurants.

The impact on the agency would be significant to stand up the program, however, after initial implementation, ongoing costs would not be significant. DHHS would need to develop criteria for selecting eligible restaurants. This may include but is not limited to:

- Available health menu options.
- A certain number of restaurants within a given radius of target populations.
- Proposed concessional pricing.
- Restaurant characteristics, such as available seating, take-out, drive-thru, etc.

The Department would also need to ensure restaurants understand their responsibilities and develop a training component for participant restaurants and SNAP clients, including:

- Signage to display in restaurants to inform clients of participating restaurants.
- Training materials for restaurant employees to understand the policy on concessional pricing.

- Menu options.
- A process for accepting Electronic Benefits Transfer (EBT) cards.
- Where to direct clients if they have RMP eligibility questions or their EBT card doesn't work.
- Notifying eligible SNAP clients that the program exists and how and where they can find updates and information about participating restaurants.
- Informing households that they will not be able to use their SNAP benefits at restaurants in other States.

While SNAP benefits are generally interoperable, the RMP is not. DHHS would be required to secure contracts with restaurants to offer the meals to eligible SNAP participants. These restaurants must sign the contract with the State, apply to be a SNAP Retailer with Food and Nutrition Services (FNS), pay for their point-of-sale equipment and services to accept EBT cards, and meet all FNS training requirements.

Creating an entirely new program may take more than one year to implement given the necessary requirements with the implementation of an RMP, additional system changes, regulation changes, and implementing the necessary agreements. There will also be a procurement process to follow to onboard eligible restaurants. The earliest operative date for the RMP would be 07/01/2025.

Administering the RMP would require DHHS to request the necessary system changes with Fidelity Information Services (FIS) to limit the use of SNAP benefits at participating restaurants to only RMP eligible households. The EBT cards of eligible households must be specially coded to allow use at participating restaurants, while non-coded EBT cards would be automatically declined. DHHS would be charged business hours or a fee to 'turn on' the program with FIS. The FIS estimated start-up fee would be \$15,000. In addition, updates to N-FOCUS would be necessary to create the notices and correspondences for the public and eligible households with information regarding the RMP. This will require 28 hours from NFOCUS ES Technical Analyst, 40 hours from Batch Technical Analyst, and 17 hours from NFOCUS Business Analyst. These hours would be absorbed by current staff.

As of December 2023, the number of SNAP households with participants aged 60 and older was 18,318 and the number of SNAP households with participants considered disabled was 23,254. No additional aid costs would increase as SNAP households would receive the same benefit amount, they are currently eligible for, they would have increased access to additional sources to utilize their SNAP benefit. All SNAP benefits are federally funded.

To coordinate the RMP, DHHS would need to hire 1 Program Coordinator to oversee the program's implementation, training for the restaurants, and complete any ongoing tracking and reporting requirements, the addition of more restaurants, and ongoing monitoring of all agreements associated with the RMP. Office or cubicle space would also be needed for the Program Coordinator.

DHHS will also need to develop a procurement process to determine the eligible and interested restaurants. An MOU needs to be created to be used with the restaurants. There would be no funds provided to restaurants by the Department. The overall impact to Procurement will be based on the number of restaurants interested in participating. This information is not currently known to determine a fiscal impact.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

NUMBER OF POSITIONS

2024-2025

2025-2026

POSITION TITLE	24-25	25-26	EXPENDITURES	EXPENDITURES
C73260 – DHHS Program Coordinator	0.75	1	\$39,095	\$54,733
Benefits.....			\$13,683	\$19,157
Operating.....			\$14,092	\$34,729
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$66,870	\$108,619