

# FISCAL NOTE

## LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised for the 2026 session

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	SEE BELOW	0	0	0	SEE BELOW
FY2026-2027	SEE BELOW	0	0	0	SEE BELOW
FY2027-2028	SEE BELOW	0	0	0	SEE BELOW
FY2028-2029	SEE BELOW	0	0	0	SEE BELOW
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

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

This bill would reduce the total number of months for cash assistance, specifically for the Aid to Dependent Children (ADC) program, from the current limit of 60 months to 24 months. The implementation date is assumed to be three months following adjournment. This fiscal note assumes implementation by July 1, 2026. The Department of Health and Human Services (DHHS) who administers ADC notes that additional statutes that relate to work activities requirements would need to be modified to harmonize program elements.

ADC is primarily funded with Temporary Assistance for Needy Families (TANF) federal block grant funding. TANF funds are restricted use to qualifying recipients. Nebraska also offers two separate state program and a solely state program both of which are funded by General Funds. The separate state programs are for qualifying parents and caretakers in limited circumstances and parents pursuing post-secondary education in lieu of work. The solely state program exempts incapacitated individuals or those determined to have significant barriers to work participation from work requirements or the federal time limit. The separate state programs count toward TANF Maintenance of Effort (MOE) requirements and the solely state programs do not count toward the TANF MOE. DHHS indicates the decreased General Fund expenditures associated with limiting the maximum time limit would not jeopardize the TANF MOE.

The current average number of ADC families with a work-eligible individual subject to time limit with an active Employment First (EF) case is 1,798. The agency analysis estimates the provisions of the bill would reduce the count of families to 1,494. Reduction in case count would reduce expenditures in direct aid to individuals and EF. The agency's estimated fiscal impact of restricting aid to 24 months is a total of \$2,021,921 (\$1,039,131 FF and \$982,790 GF) however there is reason to disagree with the agency estimate.

This estimate assumes all ADC would be limited to the 24-month cap. Currently the solely state programs are not subject to the 60-month limit however DHHS assumes all ADC would be subject to the new 24-month limitation. There is no indication that the solely state programs would begin limiting assistance as a function of the legislation. The solely state program is exclusively funded with general funds. The general funds savings would be less than what is presented by the agency to account for solely state ADC program aid expenditures however the degree to which it is less is indeterminable at this time.

Administrative costs include modifications to NFOCUS, nominal staff training expenses, revisions to the TANF State Plan, and updates to procedures and documentation. DHHS notes potential savings in personnel associated with case management.