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 DATE PREPARED: February 13, 2020
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LB 1038

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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.

In the last two years, 692 cases were denied or closed due to drug felonies. Of those 75% or 519 were part of an existing family unit. Of the balance of 277 potential new applicants, it is estimated that 15% or 42 would be eligible. The cost of the benefit is paid by federal funds. The administration cost are 50% State and 50% federal. The workload increase can be absorbed within existing agency resources.

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 1-21-2020

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	<u>FY 2020-2021</u>		<u>FY 2021-2022</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

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

Explanation of Estimate:

The proposed legislation would expand eligibility for the Supplement Nutrition Assistance Program (SNAP) to most drug felons and would result in an increase of SNAP cases. SNAP benefits are paid directly by the federal government and administrative costs are a 50/50 match state general to 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. The bill would increase the number of people eligible for SNAP by allowing all drug felons, regardless of the number or type of felony drug convictions, to receive SNAP as long as they have completed their sentence for such felony or are 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. The number of individuals eligible for SNAP due to the reduction of drug felon disqualifications would increase the number of individuals who may be eligible to participate in the program. The program requirements will not change.

In the last two years, the Department of Health and Human Services (DHHS) has denied or closed an average of 692 SNAP participants related to drug felonies. Data shows that 75% of ineligible members are part of an existing SNAP household. This is 519 ineligible persons who potentially would need added to an existing household.

The processing time to add a household member to existing households is one hour per person. 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 277 potential participants. The processing time on new applications is 2 hours per application. Of the 277 potential applications it is believed that 15% or 42 will now be eligible for benefits. The annual processing time on SNAP households is 5 hours. This accounts for recertification and case changes in circumstance. DHHS will be able to manage the increase in applications with current staff.

DHHS will be required to complete a major rule and regulation change as a result of LB1038. DHHS will absorb the estimated costs listed below to complete this regulation change.

Title	Hours	Hourly Cost	Absorbed Cost
Director	4	\$ 74.28	\$ 297
Deputy Director	4	\$ 53.48	\$ 214
Administrator I	4	\$ 30.82	\$ 123
Program Specialist	8	\$ 22.52	\$ 180
Program Analyst	16	\$ 21.91	\$ 351
Attorney III	30	\$ 33.82	\$ 1,015
Total Costs	66		\$ 2,180

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2020-2021	2021-2022
	20-21	21-22	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$0	\$0