

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				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

This bill would prevent the Department of Health and Human Services (DHHS) from seeking, applying for, accepting, or renewing any waiver of work requirements or exercising the state’s option to exempt work requirements for the federal Supplemental Nutrition Assistance Program unless required by federal law.

DHHS provides estimates for two scenarios that would comply with LB 1381:

1. implementing the Employment & Training Mandatory Program for within current areas served
 - a. the estimated cost is \$329,036 in FY25 and \$460,651 in FY26
2. expanding Employment & Training Mandatory Program to serve more areas within Nebraska.
 - a. the estimated cost is \$1,964,927 in FY25 and \$2,750,897 in FY26

DHHS indicates the earliest possible implementation of this bill would be July 2025. Both scenarios would require NFOCUS updates with an estimated cost of \$93,840. The bill would potentially reduce aid in the form of SNAP benefits to individuals and families due to non-compliance with the work requirements. SNAP benefits are 100% federally funded.

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

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Date Prepared 2-12-2024

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	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

Explanation of Estimate:

LB1381 proposes that the Department of Health and Human Services (DHHS) shall not seek, apply for, accept, or renew any waiver of work requirements and may not utilize Supplemental Nutrition Assistance Program (SNAP) discretionary exemptions for Able-Bodied Adults Without Dependents (ABAWD). Individuals under ABAWD are required to work or volunteer for 20 hours per week and are subject to time-limited benefits. This bill would require DHHS to assign all individuals at least 16 years of age and less than 60 to an Employment & Training (E&T) programs offered, such as those through the Department of Labor (DOL) and the Workforce Innovation and Opportunity Act (WIOA) unless the individual falls under one of the basic work requirement exemptions:

There are 2 possible ways for implementation of LB1381 and this includes (1) the SNAP E&T Mandatory Program without expanding further than the current number of people that can be served by the State and (2) SNAP E&T Mandatory Program with expansion for DHHS to serve the entire State of Nebraska geographically.

To implement a SNAP E&T Mandatory Program without further expansion of State provided services, the following will be considered:

Using the average number of participants mandatory for basic and ABAWD work requirements from July 2023 through December 2023 of 17,626, DHHS does not have the infrastructure to implement a completely mandatory program for all participants. However, the Department can implement a mandatory program serving approximately 350 people with SNAP E&T programing and then work with Third-Party partners to provide additional supports. 1 SNAP E&T Program Specialist would be needed to assist with referrals statewide, the recruiting and onboarding of Third-Party Partners, and to assist with the development of new processes and procedures. Workforce Coordinators are currently located in Scottsbluff, Kearney, Beatrice, and Columbus/Norfolk. Third-party partners are currently located in Omaha, Grand Island, and Lincoln.

Eligibility Operation Workers (EOW) will be needed to assist with the more detailed screening and referral process, provider determinations, and imposing sanctions. The current team of EOW assigned to assist with SNAP E&T will need to be expanded to support the additional Workforce Coordinators and participants. An additional 5 EOWs would be needed to coordinate with Workforce Coordinators and the Program Specialist to be responsible for imposing non-compliance penalties, managing the waitlist for the education and training programs, and change management related to SNAP eligibility. EOWs will receive additional training and resources related to screening, referrals, and non-compliance.

Total Cost:

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2024-2025	2025-2028
	24-25	25-28	EXPENDITURES	EXPENDITURES
C73210 – DHHS Program Specialist	0.75	1	\$36,368	\$50,916
C72172 – Social Services Worker	3.75	5	\$156,000	\$218,400
Benefits.....			\$67,329	\$94,260
Operating.....			\$69,339	\$97,075
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$329,036	\$460,651

If the SNAP Next Step E&T Mandatory Program expanded to the entire State of Nebraska geographically then there are several additional requirements to consider in addition to the above-mentioned areas:

The Department will need to expand the current infrastructure to increase the number of participants within the SNAP Next Step E&T program. If DHHS were to expand the infrastructure to increase the capacity of the SNAP Next Step E&T program from the current 350 participants in 20 counties being served to an additional 800 participants and to cover all 93 counties across Nebraska, the staff needs would increase to the following:

An additional 16 Workforce Coordinators would be needed to provide case management services (50:1 ratio) and 2 additional Program Coordinators to supervise the Workforce Coordinators. The new Workforce Coordinators would be located throughout the State in areas such as Omaha, Lincoln, McCook/North Platte, and Valentine/Ainsworth to ensure that sufficient staff are available to serve all parts of the state. The Workforce Coordinators locations would be determined based on the highest need and can be re-evaluated on a regular basis to ensure adequate coverage across the State.

2 additional Program Specialists, would be necessary to address the increased referrals statewide, the recruiting and onboarding of Third-Party Partners, and to assist with the development of new processes and procedures. Furthermore, 15 EOWs would be necessary to address the increased participation in imposing penalties, referrals, etc. If a multitude of Third-Party Partners were to join and increase additional capacity, there may be additional Program Specialists necessary to monitor the agreements with the partners, provide support and work with the partners to assist in managing the participants working with the Third-Party Partners. Additional office or cubicle space would be needed for the new staff.

Total Cost:

PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2024-2025	2025-2028
	24-25	25-28	EXPENDITURES	EXPENDITURES
C70130 – Workforce Coordinator	12	16	\$529,851	\$741,791
C73260 – DHHS Program Coordinator	1.5	2	\$78,190	\$109,466
C73210 – DHHS Program Specialist	1.5	2	\$72,737	\$101,831
C72172 – Social Services Worker	11.25	15	\$468,000	\$655,200
Benefits.....			\$402,072	\$562,901
Operating.....			\$414,077	\$579,708
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$1,964,927	\$2,750,897

All agencies are required to submit an annual E&T State plan to FNS for review and approval by August 15th for the upcoming FFY. To implement changes, all updates related to this bill would need to be incorporated into state

the SNAP E&T State Plan submission by August 15, 2024. It is unlikely that all of the required updates to implement LB1381 can be completed by August 2024 for implementation by October 2024. The SNAP E&T State Plan can be amended at any time throughout the year but must be submitted to FNS for approval 30 days before the change occurs. The annual E&T State plan could be updated or amended as necessary for implementation effective July 1, 2025.

However, the primary barrier to this time frame will be that the 475 NAC regulations will need to be updated as current regulations state that E&T is a voluntary program. The regulation process can take over 12 months to complete. Any additional agreements with other agencies will also need to be developed which would require additional staff prior to implementation. DHHS suggests an implementation date of July 2025.

SNAP E&T is funded with a limited amount of 100% federal administrative funds as well as 50% federal and 50% state funds. Additional 100% funds may be requested, although they are not guaranteed. Additional 50/50 funds can be requested. Additional funding requests are approved as they are available, and the State would need to use state general funds to match.

NFocus costs would include the following:

NFOCUS updates will be required.

Resource	Rate	Hours	Cost
ES Technical Analyst	\$100	220	\$22,000
Gen Technical Analyst	\$100	62	\$6,200
Batch Technical Analyst	\$100	330	\$33,000
Business Analyst (across 3 resources)	\$80	408	\$32,640
Total		1,020	\$93,840

This aid impact of this bill would potentially decrease the amount of SNAP benefits issued as individuals are sanctioned for non-cooperation and no longer eligible for benefits due to the increased wages from participating in the program. SNAP benefits are 100% federal funds.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2024-2025 EXPENDITURES	2025-2026 EXPENDITURES
	24-25	25-26		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....				