

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$310,388		\$361,579	
CASH FUNDS				
FEDERAL FUNDS	\$310,388		\$361,579	
OTHER FUNDS				
TOTAL FUNDS	\$620,776		\$723,157	

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

This bill increases the gross income limit for the Supplemental Nutrition Assistance Program (SNAP) in two steps. The gross income limit would be increased to 160% of the Federal Poverty Limit (FPL) but leaves the net income eligibility limit the same. The implementation date is October 1, 2018.

Eligibility for SNAP must meet a two-pronged gross and net income test. The current gross income eligibility limit for households is 130% FPL. This bill would increase it to 160%, but the current net income eligibility limit is retained. This would allow individuals and households with higher incomes to qualify for SNAP, if they also have higher allowable expenses which are deducted from gross income. Examples of income deductions are shelter costs, child care expenses and child support payments.

Similar versions of this bill have been introduced in each of the last three sessions. In prior fiscal notes, the Department of Health and Human Services used a workload study conducted in 1992 to calculate their costs. The workload study was before the automated NFOCUS eligibility system was implemented, the ACCESS call centers were operating, the option for on-line application was available and the resource limit was increased to \$25,000. The prior estimate was that 10 social service workers, two case aides and one supervisor would be needed. Because of the streamlining that has occurred since the 1992, the Legislative Fiscal Office note was that five workers, one supervisor and one case aide would be needed.

The income limit in last year's bill was 158% of FPL. This bill sets the limit at 160% of FPL. This year with the two percent increase in the FPL, the agency indicated a need for 54 social service workers and five supervisors. They assumed a much higher number of households qualifying based on census information.

There are 46,000 households between 130% of FPL and 160%. Of these total, the department estimates that 7,300 additional households would meet the secondary test. Currently 80,000 qualify for SNAP, but approximately 200,000 apply. In this fiscal note, it is assumed that the department is likely already processing a significant number of applications that would apply under the increase in this bill. The department's fiscal note does not recognized this. The workload increase due to more households being determined eligible would require 12 social service workers, one supervisor in FY 2018-19. The costs would be \$614,926 (\$307,563 GF and FF). The annualized costs in FY 2019-2020 would be \$723,157 (\$361,579 GF and FF). There is a one-time cost of \$5,850 for programing changes in FY2019.

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: 1-11-18

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	FY 2018-2019		FY 2019-2020	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,527,483		\$2,028,845	
CASH FUNDS				
FEDERAL FUNDS	\$3,405,780		\$3,912,991	
OTHER FUNDS				
TOTAL FUNDS	\$4,933,263		\$5,941,836	

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

Explanation of Estimate:

Based on current US Census data, increasing the gross income eligibility guideline from 130% to 160% Federal Poverty Level would increase the potential client base by approximately 104,318 persons, or 46,757 households. Based on NFOCUS data from SFY 2017, the Department of Health and Human Services anticipates 59,233 more applications in SFY 2019 and 2020. NFOCUS data show that 30% of applications are completed by phone. Phone applications require two hours of Social Service Worker review and traditional applications require one hour of review. The increased application load would require approximately 77,000 additional SSW hours per year.

Due to the federal cap on gross income deductions, it is estimated that only applicants whose gross income is at or below 135% FPL would have enough qualifying deductions to pass the net income test (federally set at 100% FPL) to be eligible to receive SNAP benefits. US Census data show 16,460 Nebraskans fall between 130% and 135% FPL which equates to 7,378 households. Dual income eligible SNAP recipients require 4 hours each of casework. The increased caseload would require 29,511 additional SSW hours per year. The average SNAP benefit in SFY17 was \$255.38 per case thus we assume the added caseload would result in an additional \$1,884,146 federal fund expense as SNAP benefits are 100% federally funded.

The increased application load and new casework proposed by this bill require 54 additional full-time Social Service Workers, and 5 additional Social Services Supervisors starting 10/1/18. SSW wages are based on the Random Moments in Time Studies (RMTS). RMTS assigned to SNAP have a 50/50 Federal/State split. There are also one-time capital outlay costs associated with updating NFOCUS required by this bill which total \$5,850 (\$3,600 in Technical Analyst effort and \$2,250 in Business Analyst effort).

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2018-2019	2019-2020
	18-19	19-20	EXPENDITURES	EXPENDITURES
Social Services Worker	54	54	\$1,471,167	\$1,961,556
Social Services Supervisor	5	5	\$176,054	\$234,738

Benefits.....	\$647,852	\$863,803
Operating.....	\$748,194	\$997,592
Travel.....		
Capital Outlay.....		
Aid.....	\$1,884,146	\$1,884,146
Capital Improvements.....	\$5,850	
TOTAL.....	\$4,933,263	\$5,941,835

