

PREPARED BY: Liz Hruska
 DATE PREPARED: February 09, 2021
 PHONE: 402-471-0053

LB 121

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	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, 751 cases were denied or closed due to drug felonies. Of those 751, 563 were part of an existing family unit which takes little time to process. The agency estimates there could be up to 300 new applicants. The volume of work can be handled within existing agency resources. SNAP benefits are paid with 100% federal funds.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 121	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY: Ann Linneman	DATE: 2-11-2021	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Department of Health & Human Services' assessment of no 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) Mike Michalski

Date Prepared 2-11-2021

Phone: (5) 471-6719

	FY 2021-2022		FY 2022-2023	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
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.

Over the last 3 years, the Department of Health and Human Services (DHHS) has denied or closed an average of 751 SNAP participants related to drug felonies. Data shows that 75% of ineligible members are part of an existing SNAP household. This is 563 ineligible persons who potentially would need to be added to an existing household.

The processing time to add a household member to existing household is 1 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 may result in an additional 301 potential participants. The processing time on new applications is 2 hours per application. Of the 301 potential applications it is believed that 15% or 45 may 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.

The fiscal impact to the Department of Health and Human Services will be absorbed by existing staff.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2021-2022	2022-2023
		21-22	22-23	EXPENDITURES	EXPENDITURES

Benefits.....		
Operating.....		
Travel.....		
Capital Outlay.....		
Aid.....		
Capital Improvements.....		
TOTAL.....		\$0 \$0