

NEBRASKA

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DEPT. OF HEALTH AND HUMAN SERVICES



Jim Pillen, Governor

December 1, 2024

The Honorable Ben Hansen
Members of the Health & Human Services Committee
Nebraska Legislature
P.O. Box 94604
Lincoln, NE 68509

Subject: SNAP Options Report

Dear Chairman Hansen:

Nebraska Revised Statute § 68-1017.02 requires the Department of Health and Human Services (DHHS) to report annually to the Legislature by December 1 regarding Nebraska's Supplemental Nutrition Assistance Program (SNAP) status. This report includes information about federal options provided to the State, as well as a description of any actions taken by the DHHS regarding these options, including the number of persons being served through these options.

The report includes a link to the most recent United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) State Options Report, Sixteenth Edition.

Sincerely,

A handwritten signature in cursive script that reads "Shannon Grotian".

Shannon Grotian
Director, Office of Economic Assistance

Attachment

Division of Children and Family Services: Office of Economic Assistance

SNAP Options Report

December 2024

Neb. Rev. Stat. § 68-1017.02(1)(b)

Overview

The Supplemental Nutrition Assistance Program (SNAP) federal statutes, regulations, and waivers provide state agencies with numerous policy options. State agencies use this flexibility to adapt their programs to meet the needs of eligible, low-income households. In addition to long-standing options, modernization and technology have provided states with new opportunities and options in administering the program that can facilitate improved customer service and program integrity. Certain options may further program design goals, such as providing better support for those working or looking for work. This flexibility helps states better target benefits to those most in need, streamline program administration and field operations, and coordinate SNAP activities with those of other programs.

The current SNAP State Options Report provided by the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS), Sixteenth Edition, was published in June 2024. The report summarizes 21 SNAP policy options and waivers states have implemented. The information in the FNS report is current as of October 1, 2023. A copy of the SNAP [State Options Report](#) is available online through the FNS website.

Please note that Nebraska's Temporary Assistance to Needy Families (TANF) cash assistance program is known as Aid to Dependent Children (ADC).

SNAP State Options Report Data

The charts on the following pages summarize the SNAP State Options Report from FNS. Further explanation and evaluation follow the chart.

| State Options | Does Nebraska Utilize the Option |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| 1. Program Administration | State-administered |
| 2. Reporting Requirements | Yes, Simplified Reporting. All SNAP cases are Simplified Reporting or Transitional Reporting as of April 2016 |
| 3. Certification Period Lengths | Yes, 6- and 12-months certifications effective April 2016 |
| 4. Treatment of Self-Employment Income | Yes, Another Method: Flat percentage and actual costs |
| 5. Standard Utility Allowances (SUA) | Yes, Mandatory SUA |
| 6. Treatment of Income and Deductions of Ineligible Noncitizens: Pre-PRWORA | Yes, Count all but a prorated share |
| 7. Treatment of Income and Deductions of Ineligible Noncitizens: Post-PRWORA | Yes, Count all but a prorated share |
| 8. Treatment of Child Support Payments | No, Deduction |
| 9. Child Support-Related Disqualifications | Yes, Disqualification for the custodial parent and non-custodial parent effective July 2020 |
| 10. Comparable Disqualifications | No |
| 11. Drug Felony Disqualifications | Yes, Modified Ban |

| State Options | Does Nebraska Utilize the Option |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| 12. Work Requirements: Disqualification Period Policy | Yes, Regulatory minimum |
| 13. Work Requirements: Option to Disqualify the Entire Household | No, Disqualify only the individual who fails to comply |
| 14. Voluntary and Mandatory SNAP Employment and Training (E&T) Programs | Voluntary |
| 15. ABAWD Time-Limit Waiver | No |
| 16. ABAWD Discretionary Exemptions | Yes |
| 17. Broad-Based Categorical Eligibility (BBCE) | Yes, Expanded Resource Program (ERP) LB543 (2011) mandated BBCE as of 10/1/2011 |
| 18. Transitional Benefits Alternative (TBA) | Yes |
| 19. Elderly Simplified Application Project | No |
| 20. Standard Medical Deduction Project | No |
| 21. Combined Application Projects (CAP) | No |

Explanation and Evaluation of State Options

Program Administration

State agencies have the flexibility to adapt their organizational structure to administer SNAP to serve the unique needs of their populations. State agencies can administer SNAP at the state, regional, district, or county levels. In the annual State Plan of Operations, Nebraska reported the program is state administered.

Reporting Requirements

State agencies have the option to require SNAP recipients to report household circumstances at various intervals and in multiple ways. State agencies can use different reporting systems for different types of households or different geographical areas, but each household is subject to only one reporting system. Recipients may be required to report changes periodically or within a certain time, typically within ten days, after certain changes in circumstances occur (known as Change Reporting). Under Periodic Reporting, recipients report monthly, quarterly, or by using a simplified system with reduced reporting requirements. Under the Simplified Reporting, recipients are required to report changes in income between certification and scheduled reporting periods when total countable income rises above 130% of the Federal Poverty Level (FPL), when work hours for able-bodied adults without dependents fall below 20 hours per week, or when a household member receives substantial gambling or lottery winnings.

Simplified Reporting does not expand initial or continuing SNAP eligibility but may prevent a decrease in a household's monthly allotment during their certification period. The SNAP case is closed if the total household income exceeds 130% of the FPL.

Households receiving SNAP with income between 130% and 165% of the FPL do not need to report any income increases. Households only need to report if their gross income drops below 130% of the FPL and then increases to over 130% of the FPL.

Simplified Reporting helps reduce the administrative burden of acting on all changes. As of October 31, 2024, 74,863 SNAP households or 153,457 individuals were receiving SNAP in Nebraska. Of these, 74,559 households are assigned to Simplified Reporting, and 304 are assigned to Transitional Benefits. Nebraska currently utilizes the option to assign all SNAP cases to Simplified Reporting or Transitional Benefits. See page seven for additional information regarding Transitional Benefits.

Certification Period Lengths

Households certified for SNAP longer than six months must submit a periodic report at least once every six months but no more than once every four months during the certification period. State agencies can opt to certify Simplified Reporting households for 12 months, with a periodic report at six months. States can also certify households for six months with no periodic report. Households in which all members are elderly or disabled with no earned income may be given 12-month certification periods without periodic reporting or 24-month certification periods with a 12-month periodic reporting requirement.

Nebraska certifies Simplified Reporting households for six months. Effective April 11, 2016, if all adult household members are elderly or disabled with no earned income, the household is certified for 12 months without periodic reporting. Using six- and 12-month certification periods eliminates the need for a periodic report to be received during the certification period. As of October 31, 2024, there were 74,559 SNAP households currently assigned to Simplified Reporting.

Treatment of Self-Employment Income

States have the option to adopt a simplified method for determining the cost of doing business in cases where an applicant is self-employed. Should a state decide to adopt a simplified method, the state agency has the flexibility to develop a method to calculate this cost, such as a flat percentage, a figure based on average costs, or some other method. Twenty-three states have adopted a simplified method for determining business costs for self-employed applicant income. Of these, 19 use a flat percentage of gross income applied to all types of self-employment.

Nebraska currently utilizes a flat percentage, 49% of gross income, for self-employment deductions when income is verified with ledgers or bookkeeping records. If income is verified with a tax return, actual self-employment deductions are allowed. The flat percentage was implemented to align SNAP with other programs such as Temporary Assistance to Needy Families (TANF).

Standard Utility Allowances (SUAs)

State agencies electing to use SUAs for all households in place of actual utility costs can opt to make their SUA mandatory. By taking this option, the State opts out of the requirement to prorate SUAs for households that share living space. In addition, this option requires that states use an SUA that includes the heating and cooling costs of public housing residents with shared meters that are charged only for excess utility costs. Nebraska currently utilizes this option with a mandatory SUA to ensure consistency among all SNAP households responsible for utility costs.

Treatment of Income and Deductions of Ineligible Noncitizens

Pre-PRWORA

Although ineligible noncitizens cannot receive SNAP benefits, their income is relevant to the benefit determinations of other eligible household members. If the noncitizen would have been considered ineligible for SNAP before the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), state agencies have the following options:

- count all their income and deductions.
- count all but a prorated share of their income and deductions; or
- count all their income for the gross income test, and count all but a prorated share of their income for the net income test.

The option a state chooses must be implemented statewide and only applies to the income of the ineligible noncitizen, not other eligible household members. Nebraska utilizes the option of prorating a share of income for ineligible noncitizens before PRWORA.

Post-PRWORA

If the noncitizen household member is ineligible because of PRWORA, state agencies may count either none or all but a prorated share of the individual's income and deductions. The option selected must be implemented statewide and only applies to the income of the ineligible noncitizen. Nebraska utilizes the option of prorating a share of income for ineligible noncitizens post-PRWORA.

Treatment of Child Support Payments

States have the option to treat legally obligated child support payments made to non-household members as an income exclusion rather than a deduction. This option helps to encourage payment of child support by excluding the amount paid from being considered part of the payer's gross income. States that do not use this option treat legally obligated child support payments made to non-household members as a deduction. States not opting for the income exclusion deduct legally obligated child support payments made per 7 CFR 273.9(d)(5) and 273.9 (c)(17). Nebraska does not currently utilize this option and treats child support payments as a deduction, not an income exclusion.

Child Support-Related Disqualifications

States have the option to disqualify natural or adoptive parents who fail to cooperate with child support enforcement agencies, who are in arrears in court-ordered child support payments, or both. States also have the option to require cooperation from non-relative guardians of children when an absent parent exists.

Effective July 6, 2020, Nebraska began utilizing this option by electing to disqualify natural or adoptive custodial and non-custodial parents who do not cooperate with Child Support Enforcement but did not take the option to disqualify individuals with arrears.

Comparable Disqualification

State agencies may disqualify SNAP applicants or recipients who fail to perform actions required by other federal, state, or local means-tested public assistance programs. A state agency has the option to select the types of disqualifications within a program that it wants to impose on SNAP recipients. Only the individual who committed the violation may be disqualified from SNAP, even if the entire household was disqualified under the rules of the other means-tested program. State agencies may not disqualify an individual for failing to perform a purely procedural requirement and may not disqualify an individual not receiving SNAP, including applicants.

Nebraska does not utilize comparable disqualification and reduces or closes the SNAP benefits instead. If a SNAP recipient is not exempt from SNAP work requirements and does not comply with ADC and Employment First (EF) requirements, the individual is sanctioned for a SNAP work requirement, and a failure to comply penalty for noncompliance with ADC and EF is applied to the SNAP case. If a SNAP recipient is exempt from SNAP work requirements but is subject to EF and does not comply with EF, only the failure to comply penalty is applied to the SNAP case. Nebraska's failure to comply penalty is a 25% SNAP allotment reduction.

Drug Felony Disqualifications

PRWORA legislation permanently disqualifies individuals from SNAP participation if they have committed and been convicted of a state or federal drug felony offense that occurred after August 22, 1996, involving the possession, use, or distribution of a controlled substance. A state may, by specific reference in law, opt out of the penalty entirely or impose less severe restrictions through a modified ban. Examples of these modified approaches include:

- limiting the circumstances in which the permanent disqualification applies (such as only when convictions involve the sale of drugs).
- requiring the person convicted to submit to drug testing.
- requiring participation in a drug treatment program; or
- imposing a temporary disqualification period.

Nebraska utilizes this option through a modified ban passed in 2005 by the Nebraska Legislature, which limits the circumstances in which the permanent disqualification applies. Individuals with less than three convictions for possession or use of a controlled substance are eligible if they are participating in or have completed treatment after the conviction date. Individuals with more than three convictions for possession or use of a controlled substance or convictions for the sale or distribution of a controlled substance are ineligible for SNAP.

Work Requirements: Disqualification Period Policy

SNAP regulations require all non-exempt household members to comply with work requirements such as registering for work, participating in Employment and Training (E&T), or participating in a workfare program if assigned, and not voluntarily quitting a job or reducing hours. Non-exempt individuals who fail to comply without good cause are disqualified from SNAP until they comply for a minimum of one month for the first instance, three months for the second, and six months for the third. The law allows states to

establish disqualification (DQ) periods longer than the minimums, make the DQ permanent upon the third occurrence, and disqualify the entire household if the head of household fails to comply.

Nebraska applies the minimum periods set by law, disqualifying only the non-compliant head of household whenever the head of household fails to comply with work requirements other than the E&T program.

Work Requirements: Option to Disqualify the Entire Household

SNAP household members aged 16–59 must comply with the SNAP general work requirements, which include work registration and a requirement to accept a suitable job if offered, restrictions on voluntarily quitting a job or decreasing hours, and potentially mandatory participation in SNAP E&T or workfare. Individuals are exempt from the general work requirements if they are facing physical or mental barriers to work, caring for a young child or incapacitated person, employed at least 30 hours, or participating in a work program or school halftime or more.

Nonexempt individuals who fail to comply without good cause, are disqualified. State agencies have the option to disqualify the entire household if the household member who failed to comply is the designated head of household. Nebraska disqualifies only the individual who fails to comply, not the entire household.

Voluntary and Mandatory SNAP E&T Programs

State agencies are required to operate SNAP E&T programs and have flexibility on the types of programs they offer and the types of SNAP participants they serve. States have the option to mandate that certain household members participate in SNAP E&T to maintain their eligibility, offer SNAP E&T to certain household members on a voluntary basis, or offer a combination of mandatory participation for certain household members and voluntary participation to others.

Nebraska operates a voluntary SNAP E&T program.

Able-Bodied Adults Without Dependents (ABAWD) Time-Limit Waiver

An ABAWD is a person aged 18-54 who does not meet any of the exemption criteria set by federal law. People are considered exempt ABAWDs if they are exempt from the SNAP general work requirements, share a household with a person younger than 18, are pregnant, are experiencing homelessness, are a veteran, or were in foster care at 18 and are younger than 25.

In addition to the SNAP general work requirements, ABAWDs must work or participate in a work program at least 80 hours per month to receive SNAP for more than three months in three years. State agencies have the option to request to waive this restriction in areas with unemployment rates above 10% or a lack of sufficient jobs, which is generally approved by FNS for 12 months. An ABAWD time-limit waiver does not waive the SNAP general work requirements and is not utilized in Nebraska.

ABAWD Discretionary Exemptions

In addition to the option to request to waive the ABAWD time limit, the law provides each state agency with a limited number of discretionary exemptions. State agencies can use discretionary exemptions to extend monthly SNAP eligibility for individual ABAWDs. State agencies with statewide ABAWD waivers do not use discretionary exemptions.

Nebraska uses ABAWD discretionary exemptions for ABAWDs residing in Thurston County or on reservations due to insufficient jobs. As of October 1, 2024, Nebraska has 3,458 discretionary exemptions available for Federal Fiscal Year 2025.

Broad-Based Categorical Eligibility (BBCE)

By law, households where all participating members receive cash benefits from another means-tested program like Supplemental Social Security Income (SSI), TANF, or General Assistance are categorically eligible for SNAP. States can adopt a BBCE policy, which expands SNAP categorical eligibility to households that receive non-cash benefits funded by TANF or Maintenance of Effort (MOE) funds. Under BBCE, a state aligns its asset and income limits with the TANF non-cash benefit program that confers categorical eligibility. When households are deemed BBCE households, they are still required to provide documentation of income and expenses to calculate benefits. BBCE households must also meet all other SNAP rules and have net incomes low enough to qualify for a SNAP benefit.

Nebraska currently utilizes this option and has expanded categorical eligibility with broad-based eligibility requirements through the Expanded Resource Program (ERP) by excluding non-liquid resources as only liquid resources that exceed \$25,000 affect eligibility.

On May 26, 2021, the Nebraska Legislature passed LB108 into law which increased the gross income limit for all ERP households to 165% of the FPL. On June 6, 2023, the Nebraska Legislature passed LB227 into law which extended the gross income limit at 165% of the FPL through September 30, 2025. The increased gross income limit may only be applied to BBCE or ERP households.

Transitional Benefits Alternative (TBA)

State agencies have the option to offer transitional SNAP benefits to families leaving the TANF or state-funded cash assistance programs. TBA ensures that such households can continue to meet their nutritional needs as they transition from public assistance to work. TBA provides a family with a set benefit amount and eliminates reporting requirements during the transition period. Benefits can be continued for up to five months at a level equal to the amount the household received before TANF termination, with adjustments for the loss of TANF income. Certification periods may be extended so families receive the full five months of benefits. State agencies may exclude households where all members are ineligible to receive SNAP benefits because they fail to comply with laws related to a means-tested program, fail to cooperate with child support agencies, or are delinquent in court-ordered child support.

Nebraska currently utilizes this option by allowing households to enter transitional SNAP when their TANF case closes due to exceeding the TANF income limit. Nebraska does not use the three optional

disqualifications. Allowing Transitional Benefits helps households transition off of SNAP benefits as their income increases, reducing the cliff effect. As of October 31, 2024, there were 304 SNAP households enrolled in the Transitional Benefit option.

Elderly Simplified Application Project

The Elderly Simplified Application Project (ESAP) is a demonstration project that targets adults aged 60 or older and people with disabilities. The ESAP streamlines the application and certification process by waiving the recertification interview, utilizing data matches, and extending certification periods to 36 months. ESAPs serve elderly households with no earned income and, in some cases, include disabled households with no earned income.

Nebraska does not operate an ESAP.

Standard Medical Deduction Project

The Standard Medical Deduction (SMD) is a demonstration project focused on households with adults aged 60 or older and people with disabilities. SMD simplifies the excess medical expense deduction by allowing State agencies to establish a standard deduction amount for certain households. SNAP households with an adult aged 60 or older and/or a person with a disability are entitled to a deduction from their household income of allowable, out-of-pocket medical expenses those individuals incurred over \$35 a month. The SMD allows agencies to streamline administrative procedures, reduce the paperwork burden on older adults and individuals with disabilities, and simplify the process of claiming this deduction. Households may opt to claim actual medical expenses if they are greater than the SMD.

Nebraska does not use the SMD.

Combined Application Project (CAP)

Combined Application Project (CAP) is a partnership between the Social Security Administration (SSA), FNS, state agencies, and local agencies to streamline application procedures for individuals receiving SSI benefits. The projects are designed to strengthen access to nutrition benefits for this vulnerable population by streamlining the SNAP application process.

There are two models for CAPs: standard and modified. A standard model includes simplified joint SNAP and SSI application processing by SSA as individuals apply for or are recertified for SSI. A modified model utilizes data from SSA for targeted SNAP outreach to eligible SSI households, who are then sent applications. Both models rely on standardized benefits and shelter amounts and require evaluations to maintain cost neutrality. FNS and SSA are not soliciting proposals for new demonstrations of this type.

Nebraska is not utilizing this option.

SNAP FFY2024 Federal Expenditures

| SNAP Funding FFY2024 (October 2023 through September 2024) | Authorized | Expenditures as of 9/30/2024 | Remaining |
|----------------------------------------------------------------------|------------------------|-----------------------------------------|-----------------------|
| SAE Allocation (SNAP Administration) | \$28,852,173.00 | \$24,102,086.31 | \$4,750,086.69 |
| SNAP E&T 100% | \$355,166.00 | \$311,483.46 | \$43,682.54 |
| SNAP E&T 50% admin | \$493,138.00 | \$262,004.59 | \$231,133.41 |
| SNAP E&T 50% participant reimbursement | \$64,632.00 | \$21,969.53 | \$42,662.47 |
| SNAP Outreach | \$448,925.00 | \$259,925.34 | \$188,999.66 |
| Nutrition Education Two-Year Grant | \$2,026,439.00 | \$0.00 | \$2,026,439.00 |
| Totals: | \$32,240,473.00 | \$24,957,469.23 | \$7,283,003.77 |