

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

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

This bill requires the Department of Health and Human Services to submit a waiver to the United States Department of Agriculture (USDA) to waive Supplemental Nutrition Assistance Program (SNAP) work requirements for homeless individuals, veterans, and foster care individuals. DHHS indicates uncertainty over whether such a waiver would be approved. There is minimal fiscal impact to complete the work associated with waiver submission. Because Nebraska currently qualifies for 100% of SNAP benefits to be federally funded due to the State's low error rate, there is not fiscal impact to increased aid if the waiver is approved. Minimal administrative costs can be absorbed within current agency resources.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 734 AM: AGENCY/POLT. SUB: Nebraska Department of Health & Human Services

REVIEWED BY: Ann Linneman DATE: 2-24-2026 PHONE: (402) 471-4180

COMMENTS: Concur with the Nebraska Department of Health and Human Services' assessment of 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) John Meals

Date Prepared 2-24-2026

Phone: (5) 471-6719

	<u>FY 2026-2027</u>		<u>FY 2027-2028</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

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

LB734 would require the Office of Economic Assistance (OEA) to submit a waiver, on or before October 1, 2026, and annually thereafter, to the United States Department of Agriculture (USDA) to waive Supplemental Nutrition Assistance Program (SNAP) work requirements for homeless individuals, veterans, and foster care individuals. If waiver is approved, OEA will see an increase in the number of household applications for Able-Bodied Adults Without Dependents (ABAWD) who may be eligible for SNAP with restored exemptions.

Implementation of the bill would require staff time to draft and develop the waiver application. The request to waive any part of the statute must be made through a demonstration project request. Demonstration projects test and evaluate the new approaches to SNAP policy and administration. This waiver does not meet the requirements of a demonstration waiver because it does not test or evaluate a new approach to SNAP policy and administration.

Updates need to be made to employee training, memos, and worker guides to include the exemptions. SNAP NAC regulations will also need to be updated along with the work requirement correspondences. Additionally, the department's eligibility system Nebraska Family Online Client User System (NFOCUS) needs to be updated. Current staff would absorb these costs.

Currently, SNAP benefits are paid using 100% Federal Funds and administrative costs are paid with 50% State General Funds and 50% Federal Funds. Effective October 1, 2026, administrative costs will be paid using 75% State General Funds and 25% Federal Funds.

Effective October 1, 2027, states will be required to pay at least a percentage of SNAP benefit allotments if they have a Quality Control Payment Error Rate (PER) above 6%.

- (1) Under 6% PER = 0% state match
- (2) 6-7.99% PER = 5% state match
- (3) 8-9.99% PER = 10% state match
- (4) 10%+ PER = 15% state match

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2026-2027	2027-2028
	26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$0	\$0