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DATE PREPARED: March 17, 2016
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LB 147

Revision: 01

Revised for the 2016 Legislative Session

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2016-17		FY 2017-18	
	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 removes the asset test for the Aid to Dependent Children Program (ADC) and the Supplemental Nutrition Assistance Program.

Based on the average monthly number of ADC cases that are denied due to excess assets, there would be an increase of approximately 20 cases a month or 240 a year. Using the average monthly payment of $411, the cost would be $1,186,272 annually. The Temporary Assistance to Needy Families (TANF) balance at the end of September 2015, was $60,990,692 and based on current projections would be exhausted during FY 2023. The Department of Health and Human Services indicated $237,254 from General Funds and $949,018 from federal funds. An agreement on the ADC increase contained in LB 89 in the 2015 Legislative Session was to preserve the federal fund balance through 2025. If the cost is allocated drawing down $950,000 annually from the TANF, General funds would need to pick up the costs beginning in 2022. Based on the agreement on LB 89, the ADC increases in is bill would need to be from General Funds.
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The average monthly number of SNAP cases that have been closed due to excess resource limits is nine or 108 annually. The average monthly allotment $258. This would increase SNAP expenditures by $334,899 annually paid from federal funds.

If more families qualify for ADC, the cost for Transitional Medicaid would increase. Transitional Medicaid covers parents and caretaker relatives for twelve months when they no longer qualify for the ADC grant due to earnings. Based on the average annual cost of Medicaid for an ADC adult of $3,268, the costs would be $235,296 ($113,695 GF and $121,601 FF) in FY 17; and $240,002 ($115,561 GF and $124,441 FF) in FY 18.

LB(1) 147	FISCAL NOTE	2016

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Pat Weber | Date Prepared:(4) 1-13-2016 | Phone: (5) 471-6351

	FY 2016-2017		FY 2017-2018	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	$350,949		$352,815	
CASH FUNDS				
FEDERAL FUNDS	$1,405,518		$1,408,358	
OTHER FUNDS				
TOTAL FUNDS	$1,756,467		$1,761,173	

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

Explanation of Estimate:

LB 147 eliminates the resource maximum for the Aid to Dependent Children (ADC) and Supplemental Nutrition Assistance (SNAP) programs. The Department is unable to determine the exact fiscal impact of this bill. There is no data available to calculate the number of families with large liquid resources, that would have a low enough income to be eligible for these programs, as most of these people would not have applied for assistance in the past, or would be over income for the program regardless of the resource limit.

Using the following assumptions: a monthly average of 20 ADC cases have been closed or denied due to excess resources during the last six months. Annually this would translate to 240 cases. With 240 additional ADC cases and an average monthly ADC grant amount of $411.90, ADC aid expenditures would increase $98,856 per month, or $1,186,272 ($237,254.40 GF, $949,017.60 FF) annually. A monthly average of 9 SNAP cases have been closed or denied due to excess resources during the last six months. Annually this would translate to 108 cases. With 108 additional SNAP cases and an average monthly SNAP allotment of $258.41, SNAP expenditures would increase $27,908.28 per month, or $334,899.36 annually, all federal funds. Total expenditure increase for Program 347 is $1,521,171.36 ($237,254.40 GF, $1,283,916.96 FF) annually.

Under the rules of the Affordable Care Act (ACA), there are no resource limits for the eligibility categories affected by this bill. However, if there are more ADC enrollees as assumed above, there could also be an increase in Transitional Medical Assistance (TMA) enrollees when their ADC grant is lost due to earned income. However, the impact of LB 147 upon TMA enrollment is unknown. As a point of reference, if 30% of the annual 240 cases above has one enrollee in TMA per year, and those 72 enrollees are at an average annual cost of $3,268 per ADC adult, the total increase in expenditures could be approximately $235,296 total ($113,695 GF, $121,601 FF) in SFY17 and $240,002 total ($115,561 GF, $124,441FF) in SFY18. This estimate is an approximation of a 30% increase of the potential annual cases – actual costs to Program 348 will vary depending on the amount of TMA enrollment affected.

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS 16-17	17-18	2016-2017 EXPENDITURES	2017-2018 EXPENDITURES

	2016-2017	2017-2018
Benefits		
Operating		
Travel		
Capital Outlay		
Aid	$1,756,467	$1,761,173
Capital Improvements		
TOTAL	$1,756,467	$1,761,173