

Revised based on new information

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			\$233,547	
CASH FUNDS				
FEDERAL FUNDS	\$311,396		\$77,849	
OTHER FUNDS				
TOTAL FUNDS	\$311,396		\$311,396	

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

This bill increases the income eligibility limit of the low-income energy assistance program from 130% of the Federal Poverty Limit (FPL) to 150%. Annually ten percent of available funds would be used for weatherization assistance. The bill has the emergency clause.

There are 37,753 households who currently receive assistance or 36.8% of the all eligible households in that income category. Assuming the same participation rate, 8,313 additional households would likely apply and qualify. In SFY 2019, the department issued 22,234 denials to households applying for SNAP, LIHEAP or the child care subsidy due to exceeding the 130% of FPL income limit. (Applications for multiple programs that were denied count as one denial, if in the same month.) The department is currently staffed to handle the initial eligibility since there are over 22,000 denials due to the applicant having income in excess of 130%. After initial eligibility, the majority of ongoing work is automated and needs little worker intervention. Crisis cases do take additional time. Of the 37,000 households receiving LIHEAP, 2,026 (6%) were approved for crisis assistance. Using an average of one hour for 8,313 ongoing cases, the department would need five social service workers and half-time supervisor. The costs would be \$45,909 in FY 2021; \$311,396 in FY 2022 and in SFY 2023.

The American Rescue Plan Act was signed in to law on March 11, 2021. It provides an additional \$39,794,000 to Nebraska for LIHEAP. The language of the law states the funds are available through September 30, 2022 “. . . , for additional funding to provide payments under section 2602(b) of the Low-Income Home Energy Assistance Act of 1981” Although the federal guidance has not been issued, it appears from the language in the bill, the funds can be used for allowable costs under the LIHEAP Act. The federal ARPA funds are adequate to cover the administrative costs through September 30, 2022. Beginning in the second quarter of 2023, General Funds will be required. In FY 2023, the cost by fund source will be \$311,396 (\$233,547GF and \$77,849 FF).

Currently nine percent of the federal grant is provided for weatherization. An additional 1% of the total would be shifted from direct assistance to weatherization.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 306	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY: Ann Linneman	DATE: 1-26-2021	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Department of Health & 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) Mike Michalski

Date Prepared 1-26-2021

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	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$1,134,7112		\$1,512,347	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,134,712		\$1,512,347	

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

Explanation of Estimate:

LB 306 changes the eligibility requirements of the Low Income Home Energy Assistance Program (LIHEAP) to allow households with an income level of 150% FPL (previously 130%) to be able to participate in the program.

If the number of households in need of assistance between 131% and 150% of the FPL is significant, households below 130% of the FPL may experience: reduced or eliminated supplemental payments; reduced heating benefit levels; reduced cooling benefit levels; reduced funding available for households in crisis situations; reduced funding for repairing or replacing heating/cooling equipment; no remaining funds prior to serve households prior to the end of the energy year; or a combination of the aforementioned. The LIHEAP grant does not increase with an increase in population. With the new population (131 to 150% FPL), benefits per household will decrease for the existing households enrolled (below 130% FPL).

Increasing the FPL and the number of households served will increase the amount of staff time required for the administration of the program. In Federal Year 2020, there were 102,423 people (37,753 households) who received LIHEAP benefits (out of 278,122 people under 130% FPL). There are approximately 61,246 people in the state of Nebraska that are between the 130 to 150% FPL. Using the same ratio of people approved versus total population (36.83%), it is estimated that there would be 22,555 new people in the program (8,313 households). Each case requires 5 hours of work per year (including initial review and updates). The new workload will require 21 additional Social Service Workers, and 2 Supervisors (starting October 1, 2021).

NFOCUS system changes will also be required. It is estimated at 10 hours of work at \$45 per hour (\$450).

Because DHHS uses the full available amount of the LIHEAP grant each year for administration costs, any new staff would need to be paid with general funds.

DHHS will be required to complete a major rule and regulation change as a result of LB 306. DHHS will absorb the estimated costs listed below to complete this regulation change. Absorbed rule change expenses should be added to a no fiscal impact fiscal note if applicable. These do not add any expenses into the total line, but are a way to track absorbed costs for the agency.

Title	Hours	Hourly Cost	Absorbed Cost
Director	4	\$ 74.28	\$ 297
Deputy Director	4	\$ 53.48	\$ 214
Administrator I	4	\$ 30.82	\$ 123
Program Specialist	8	\$ 22.52	\$ 180
Program Analyst	16	\$ 21.91	\$ 351
Attorney III	30	\$ 33.82	\$ 1,015
Total Costs	66		\$ 2,180

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2021-2022	2022-2023
	21-22	22-23	EXPENDITURES	EXPENDITURES
Social Service Worker	15.8	21	\$577,821	\$770,428
Social Services Worker Supervisor	1.5	2	\$70,422	\$93,895

Benefits.....		\$232,395	\$309,859
Operating.....		\$254,074	\$338,165
Travel.....			
Capital Outlay.....			
Aid.....			
Capital Improvements.....			
TOTAL.....		\$1,134,712	\$1,512,347