

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	See Below		See Below	

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

This bill requires remote or online learning to count towards meeting the work requirements for the Aid to Dependent Children/Employment First Program. The bill also requires the Department of Health and Human Services to accept self-attestation for verification of participation in remote or online learning. The department is authorized to review or audit a participant if the self-attestation is questionable.

Daily supervision is required for verification of work activities. Guidance from the Administration for Children and Families, Office of Family Assistance provides this guidance:

Daily supervision means that a responsible party has daily responsibility for oversight of the individual's participation, not necessarily daily, in-person contact with the participant. The goal of such supervision is to ensure that individuals are participating and making progress in their assigned activities. A work site sponsor, classroom instructor, contracted service provider, community-based provider, job search instructor, treatment provider, or even a TANF agency employee could fulfill that role. In addition, the supervision need not involve in-person contact, but can be telephone or electronic contact where those methods are suitable.

Thus, the state may elect to designate the TANF case manager for purposes of conducting daily supervision. If the state does so, it may use the individual's hours reported to the case manager if:

- the case manager and participant are in regular communication by phone, in person, or electronically in order to discuss attendance, along with such issues as progress, support service needs, and career planning; and*
- the individual makes satisfactory progress in the educational activity.*

If state chooses to rely on a case manager's ongoing engagement in conjunction with a standard of satisfactory progress, and the recipient fails to demonstrate satisfactory progress at the end of an instructional period such as a quarter or semester, the state must subsequently make use of a heightened standard of verifying hours of education, e.g., requiring signed attendance sheets with third-party verification.

Based on this guidance, self-attestation is not allowable and would put the state out of compliance with federal regulations. The penalty for non-compliance is one percent the first year; two percent the second year and three percent in the third year. The amount of the potential loss of funds is \$417,341 in FY 2022 and \$834,683 in FY 2023.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 516	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 2-16-2021	PHONE: (402) 471-4180	
COMMENTS: The Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact to the department appears reasonable.			

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 2-16-2021

Phone: (5) 471-6719

FY 2021-2022

FY 2022-2023

	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

Explanation of Estimate:

LB 516 will require the Department of Health and Human Services (DHHS) to accept self-attestation from the applicants to validate applicants' monthly education requirements for Aid to Dependent Children-Employment First cash assistance. Additionally, the bill will allow participants to satisfy requirements through remote or online coursework.

With the implementation of LB 516, the State will be out of compliance with federal regulations. Self-attestation alone is insufficient to verify coursework requirements according to the Administration for Children and Families of the United States Department of Health and Human Services. Allowing DHHS to audit questionable self-attestations does not meet the requirements to receive federal funding without penalty.

The federal Administration of Children and Families Services may penalize the state for non-compliance and reduce the Adjusted State Family Assistance Grant (SFAG) each year by the following percentages: One percent for the first year; two percent for the second year; three percent for the third year; four percent for the fourth year; and five percent for the fifth and subsequent years.

The average annual Adjusted SFAG is approximately \$41,734,127. LB 516 may result in a reduction of federal funds of approximately \$417,341 in SFY 2022 and \$834,683 in SFY 2023.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2021-2022	2022-2023
	21-22	22-23	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....				