



Supplemental Nutrition Assistance Program Report

Neb. Rev. Stat. § 68-1017.02

December 31, 2022

Nebraska Revised Statute 68-1017.02 states the Department of Health and Human Services (DHHS) shall apply for and utilize to the maximum extent possible, within limits established by the Legislature, any and all appropriate options available to the state under the federal Supplemental Nutrition Assistance Program (SNAP) and regulations adopted under such program to maximize the number of Nebraska residents being served under such program within such limits.

This report is an evaluation regarding the gross income eligibility limit increase from 130% to 165% of the Federal Poverty Level (FPL) and whether it maximizes the number of Nebraska residents being served. The evaluation includes an identification and determination of additional administrative costs resulting from the increase to the gross income eligibility limit, a recommendation regarding the gross income eligibility limit, and a determination of the availability of federal funds for the program. The increase in the gross FPL was fully implemented as of July 2021.

Expanded Resource Program (TANF-funded policy)

In 2011, in accordance with Nebraska Revised Statute 68-1017.02(b)(i), DHHS created a TANF-funded policy that established expanded categorical eligibility for the Supplemental Nutrition Assistance Program to maximize the number of Nebraska residents being served. This expanded categorical eligibility policy expanded the resource limits of most SNAP households to exclude all non-liquid resources and exclude all liquid resources of \$25,000 or less. While the resource limit was increased at that time, the gross income limit remained at 130% of the FPL. In 2021, with the passing of LB108, Nebraska Revised Statute 68-1017.02(b)(ii) was amended to increase the gross income limit to 165% FPL using the previously established TANF-funded policy through September 30, 2023. SNAP benefits are determined in two parts. A household must first pass the gross income limit. If a household's gross income is less than the gross income limit, then allowable deductions are applied to determine if a household meets the net income limit. If a household is under the net income limit, their SNAP benefit amount is determined based on the net income. States have the option to increase the gross income limit for households, but the net income limit must remain at 100% of the FPL.

History of LB108 (2021)

LB108 was introduced in 2021 by Senator McCollister and passed with the adoption of several amendments after extensive floor debate. One such adopted amendment was AM1082 introduced by Senator McCollister. During floor debate on AM1082, he explained the sunset date of September 30, 2023 was being added to the bill to prevent any general fund impact.

The bill was first presented to the Governor on May 20, 2021 and returned without approval on May 25, 2021. On May 26, 2021, the legislative body passed LB108 notwithstanding objections of the Governor and was subsequently passed into law on the same day. LB108 specified administrative costs associated with the benefits would be funded by time-limited American Rescue Act (ARPA) funds through September 30, 2023. LB108 was intentionally scheduled to sunset on October 1, 2023 to prevent general fund impact.

SNAP Reporting Categories and Eligibility Categories

All SNAP households in Nebraska are assigned to one of two reporting categories: Simplified Reporting (SR) and Transitional Benefit Reporting (TBR). States have the option of which reporting categories are used. Nebraska has opted to not use the Change Reporting category (CR) because CR requires reporting of multiple different changes which is burdensome for clients as well as eligibility staff. As of October 31, 2022, there were 76,963 SNAP households assigned to the SR category and there were 250 SNAP households assigned to the TBR category. SR category households are placed in one of three eligibility categories: regular SNAP, Categorically Eligible (CE), or Expanded Resource Program (ERP).

A household is placed in the regular SNAP category if any household member is ineligible due to a work requirement, drug felony, or Intentional Program Violation (IPV) disqualification. Regular SNAP households are not eligible for expanded resource or income limits and are subject to the federally set gross and net income tests. These households are also subject to the federal standard resource limit of \$2,750, or \$4,250 if there is an elderly or disabled member in the household.

Households in which all members receive Aid to Dependent Children (ADC), Aid to the Aged, Blind, or Disabled (AABD), State Disability Program (SDP), or Supplemental Security Income (SSI) cash payment are considered CE. These households are exempt from the gross and net income tests and all resources are excluded.

All other households are assigned to ERP. Broad-Based Categorical Eligibility (BBCE) refers to the policy that makes most, if not all, households categorically eligible for SNAP because they receive a non-cash TANF-funded benefit or service. BBCE is referred to as ERP in Nebraska. ERP households are subject to the gross and net income tests and all non-liquid resources and liquid resources of \$25,000 or less are excluded.

When a household is currently assigned to an SR category and the ADC program grant ends due to exceeding the ADC program's income limit, the household is assigned to the TBR category for five months.

SNAP Reporting Requirements

SR category households are only required to report the following three pieces of information:

1. If the household was determined eligible at a gross income below the 130% gross income limit and the household's income subsequently rises above the 130% gross income limit for the household size at the time benefit amounts were determined;
2. Whenever Able-Bodied Adults Without Dependents (ABAWD) subject to the time limit work less than 20 hours per week averaged monthly; and,
3. Whenever a member of the household wins substantial lottery or gambling winnings. Substantial winnings are currently defined as a cash prize equal to or greater than \$4,250 in a single game before taxes or other withholdings.

The household must report within 10 days after the last day of the month the household meets one of the three criteria listed above. Households in TBR are not required to report any changes during the time the household is in this reporting category.

SNAP Work Requirements

The work requirement provision is applied statewide. Each household member aged 16 through 59 must meet or be exempt from the general work participation requirements which are:

1. Work Registration;
2. Bona Fide Job Offer;
3. Voluntary Quit; or,
4. Employment First work requirements.

Household members are considered work registered when an adult household member or an authorized representative signs the completed application form. If an individual refuses to accept a bona fide job offer or voluntarily quits employment within 60 days before an application is filed, any time after the application is filed or after the household is certified, the individual may become ineligible for SNAP. If an individual is also participating in the Employment First program due to receipt of an Aid to Dependent Children (ADC) cash grant, they must comply with those requirements or the individual will become ineligible for SNAP. Each household member aged 18 through 49, in addition to the general work requirements above, must also meet or be exempt from the Able-Bodied Adult Without Dependents (ABAWD) work requirements. ABAWDs are eligible for only three full months of benefits during a 36-month period without meeting an ABAWD work requirement or qualifying for an ABAWD work requirement exemption. Individuals aged 18 through 49 are ineligible to receive benefits after three full months unless they meet one of the following criteria:

1. Working 20 or more hours per week, including in-kind or volunteer work, or a total of 80 hours per month;
2. Participating in and complying 20 or more hours per week or a total of 80 hours per month with the requirements of a work program. A work program means:
 - a. A program under the Workforce Innovation and Opportunity Act;
 - b. A program under section 236 of the Trade Act of 1974; or
 - c. An employment and training program other than job search or job search training approved by the State; or,
3. Any combination of working and participating in a work program for a total of 20 or more hours per week or a total of 80 hours per month.

Federal Fiscal Year (FFY) 2023 SNAP Updates

SNAP benefit maximum allotments, resource limits, income guidelines, and deductions are adjusted annually based on Cost-of-Living Adjustments (COLA) and the rate of inflation. Food and Nutrition Services (FNS) provides the annual COLA updates to states each year. For FFY2023, the minimum allotment for a one-person or two-person household increased from \$20 to \$23, and the maximum allotment for a one-person household increased from \$250 to \$281. The maximum allotment for all household sizes increased by 12.5% for FFY 2023.

The resource limits increased with FFY2023. The resource limit for a Regular SNAP household increased by 10% from \$2,500 to \$2,750. The resource limit for households with an elderly or disabled member increased by 13.3% from \$3,750 to \$4,250. The resource limit for ERP households (\$25,000) did not change.

The net and gross income standards also saw an increase for FFY 2023. The net income limit for a one-person household increased by 5.5% from \$1,074 to \$1,133 and the gross income standards for a one-person household increased by 5.5% from \$1,396 to \$1,473 (130% of the FPL) and \$1,771 to \$1,869 (165% of the FPL).

Evaluation of SNAP Application Approvals and Participation

Month	SNAP Application Approvals - Gross Income between 130% and 165% FPL	Total SNAP Application Approvals	Percentage of SNAP Applications Approved with Gross Income between 130% and 165% FPL	Total Active SNAP Households
June 2021				73,590
July 2021	1,965	11,457	17.15%	74,306
August 2021	1,857	13,150	14.12%	74,810
September 2021	1,378	12,779	10.78%	73,524
October 2021	1,403	10,818	12.97%	74,402
November 2021	1,253	10,651	11.76%	74,507
December 2021	1,038	10,564	9.83%	74,711
January 2022	1,285	10,718	11.99%	74,638
February 2022	1,000	10,953	9.13%	74,228
March 2022	959	10,563	9.08%	75,142
April 2022	888	9,423	9.42%	74,970
May 2022	942	10,094	9.33%	74,860
June 2022	926	9,862	9.39%	75,001
July 2022	1,091	10,941	9.97%	75,331
August 2022	1,265	12,435	10.17%	76,189
September 2022	1,006	12,742	7.90%	76,267
Total	18,256	167,150	10.92%	3.64%

An analysis of the chart above shows that total SNAP application approvals increased by 10.92% since the implementation of LB108 (2021). In June 2021, the month before the

implementation of LB108, there were 73,590 active SNAP households in Nebraska. By September 2022, there were 76,267 active SNAP households, indicating a 3.64% increase in overall SNAP participation. These percentages differ because the SNAP application approvals include duplicate households. For example, a SNAP application may be approved in July 2021 for a 6-month certification period. If the household recertified for January 2022, their household would be counted twice in the application approvals, but only once in the active SNAP households count.

Administrative Costs

An increase in SNAP applications and participation increases administrative costs. To continue to accommodate the increased workload, DHHS will need to hire additional staff. With the implementation of LB108, DHHS was able to utilize American Rescue Plan Act (ARPA) funds to hire 8 additional staff in preparation for the increased workload, including 6 new Eligibility Operations Workers (EOW, previously known as Social Service Workers), 1 supervisor, and 1 case aide. Nebraska ended FFY 2022 with 76,267 active SNAP households or approximately 156,065 participants. Nebraska processed approximately 12,000 new SNAP applications for FFY 2022. DHHS estimates it takes 46,318 total EOW hours to complete the work associated with new SNAP applications. This includes initial application processing and ongoing casework. Assuming this increase will continue, to accommodate the increased workload in FFY24, an additional 23 ongoing staff (17 EOW, 2 EOW Leads, 2 supervisors, and 2 office specialists above current hired staff) would be needed to meet the workload in the future.

DHHS authorized overtime to handle the current workload which was funded in part by ARPA funds. In addition, as of September 2022, 50% of supervisors' time has been spent processing applications and completing casework. ARPA funds will no longer be available after Federal Fiscal Year (FFY) 2023. A continuation of LB108 would require approximately \$1,071,895 in state general funds and \$1,071,895 in federal funds per year for administrative costs to pay the salaries of all 23 staff needed. SNAP administrative funds are 50% federal funds and 50% state general funds.

Funding Availability

SNAP benefit amounts are 100% federally funded by Food Nutrition Services (FNS), however, this federal agency and the State share administrative expenses equally. FNS can approve a 50% match for administrative costs of the program and the State of Nebraska is responsible for paying the other 50%. At this time, the Department has no appropriation past September 30, 2023, to cover the required 50% match for additional administrative costs incurred through the implementation of LB108. Additional federal SNAP administrative funds may be requested but DHHS would need additional appropriations to sustain the increased volume of applications and participation past September 30, 2023.

Recommendation

The above evaluation demonstrates a 3.64% increase in households participating in SNAP since the implementation of a gross income limit at 165% of the FPL. In accordance with the statute, the SNAP gross income eligibility limit will return to 130% of the FPL on October 1, 2023. At that time, SNAP eligibility will end for approximately 1,100 households who are currently receiving assistance due to the SNAP gross income limit increase.

Continuation of LB108 would require approximately \$1,071,895 in state general funds and \$1,071,895 in federal funds per year for administrative costs to pay staff salaries. LB108 was designed to be time-limited by utilizing ARPA funds. The use of general funds for administrative costs was explicitly prohibited. To prevent general fund impact, DHHS recommends the SNAP gross income limit return to the amount used prior to the increase in LB108.