



March 2, 2017

Senator Riepe
District #12 State Capitol
P.O. Box 94604
Lincoln, NE 68509-4604

RE: LB 224

Senator Riepe and Members of the Health and Human Services Committee:

The Department of Health and Human Services (DHHS) does not typically oppose bills by letter; however, I am unable to attend the hearing today due to a minor medical procedure.

Currently, in Nebraska, individuals applying for Aid to Dependent Children (ADC) must have resources of less than \$4,000 for a single individual or \$6,000 for two or more individuals. LB 224 would change this resource limit so that a family's net worth could not exceed \$1 Million.

The Supplemental Nutrition Assistance Program (SNAP) has adopted the state option to implement a Temporary Assistance to Needy Families (TANF) funded program to establish Broad-Based Categorical Eligibility. In Nebraska, this program is also known as the Expanded Resource Program. This sub-program within Nebraska SNAP allows the state to set the resource limit within the SNAP for individuals who qualify for Broad-Based Categorical Eligibility. Currently this program has a resource limit of \$25,000 in liquid assets. LB 224 would modify the resource guideline for those eligible for this SNAP sub-program so that a family's net worth could not exceed \$1 Million.

In calendar year 2016, 207 ADC cases and 95 SNAP cases were closed or denied due to excess resources. LB 224 would expand eligibility to at least this number of households who could now be eligible for ADC or SNAP.

The funding required for the increase in the SNAP population are all federal dollars. LB 224 would increase ADC spending from the federal TANF block grant. Current and projected TANF expenditures already exceed the annual block grant award, meaning TANF-financed programs are not sustainable solely with TANF funds. Expanding eligibility for ADC cases will quicken the exhaustion of existing TANF balances and will result in the need for increased General Fund appropriations to finance TANF programs in the coming years.

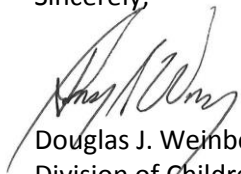
Federal reauthorization of the Child Care and Development Fund (CCDF) 45 CFR 98.20 (a)(2)(ii) required that a family's asset should not exceed \$1 million. DHHS does not have this federal requirement for TANF or SNAP.

Additionally, in 2015 an agreement was made regarding the ACD increase in LB 89 (2015) to then leave the fund untouched to sustain TANF through 2025. An additional increase in ADC and SNAP will draw down the fund and require General Funds in 2024, breaking the original agreement.

LB 224 would also impact Medicaid due to the transition of those who become ineligible for ADC due to earned income into the Transitional Medical Assistance Program (TMA). If there are more ADC households due to the increased resource limit, there could also be an increase in TMA enrollees. The impact of LB 224 on TMA enrollment is unknown. However, if 30% of those newly eligible for ADC become eligible for TMA, there would be an increase of 62 enrollees for Medicaid assistance.

Thank you for allowing us to address these concerns. Also, for the opportunity to share the above information and we look forward to working with you in continuing our mission of helping people live better lives.

Sincerely,



Douglas J. Weinberg, Director
Division of Children and Family Services
Department of Health and Human Services

cc: Senator Crawford