

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$41,354		\$47,395	
CASH FUNDS				
FEDERAL FUNDS	\$41,354		\$47,395	
OTHER FUNDS				
TOTAL FUNDS	\$82,707		\$94,790	

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

This bill requires that the Department of Health and Human Services (DHHS) establish a Restaurant Meals Program with the Supplemental Nutrition Assistance Program (SNAP) no later than July 1, 2026. The Restaurant Meals Program would allow household containing elderly or disabled members or homeless individuals to have the option to redeem SNAP benefits at private establishments that contract with DHHS to offer meals to eligible individuals.

The Restaurant Meals Program would require contracts with restaurants to offer meals to SNAP participants. To coordinate the Restaurant Meals Program DHHS would need to hire one Program Coordinator starting in October 2025 to oversee implementation, tracking, and reporting. The agency would incur additional administrative cost, \$15,000 one-time, to access data in the Fidelity Information System. Additional system costs would be absorbed within current appropriations. The cost of the additional staff person plus the FIS system cost amounts to \$82,707 in FY26 and \$94,790 in FY27. The staff person and system update would be considered SNAP administration expenses and qualify for 50% federal match. SNAP benefits are 100% federally funded and no additional aid costs would be incurred as Restaurant Meals Program participants would use benefits they are currently using for qualifying groceries on newly qualifying meals from participating restaurants.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	46	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman	DATE:	2-5-2025	PHONE: (402) 471-4180
COMMENTS: Concur with the Nebraska Department of Health and 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) John Meals

Date Prepared 2-3-25

Phone: (5) 471-6719

	<u>FY 2025-2026</u>		<u>FY 2026-2027</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$41,354		\$47,395	
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Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB46 requires the Department of Health and Human Services (DHHS) to establish a Restaurant Meals Program (RMP) as part of the Supplemental Nutrition Assistance Program (SNAP). Enactment and implementation of this bill may require the Department to promulgate the new regulations as needed. The RMP shall be operational no later than July 1, 2026. Once program is operational, inclusion of RMP will be amended in the State Plan.

The prerequisites to be eligible for RMP requires all household members to be either elderly, disabled, homeless, or a spouse of a SNAP client who is eligible for the RMP. Qualified individuals may use their Electronic Benefit Transfer (EBT) card when ordering meals at participating restaurants.

The State would need to gather, analyze, and provide the following to Food and Nutrition Services (FNS) before implementation of an RMP:

- Documentation of underserved RMP-eligible SNAP clients by sub-geographical area.
 - Data on the number of RMP-eligible SNAP clients compared to the total SNAP population by zip code, county, etc.
 - Determine where the RMP will be implemented in the state.
- Approach for limiting participating restaurants to those that meet the documented need.
- Number of estimated restaurants the State will select for participation.
- Memorandum of Understanding (MOU) template between the State and participating restaurants.
- Anticipated implementation date.

Additionally, Title 475 would need to be updated to include new sections to address the RMP. The regulations would need to detail eligibility requirements for RMP and how to identify participating restaurants.

A procurement process must also be established to determine the eligible and interested restaurants in order to create the MOU. DHHS would not provide funds to restaurants. The overall impact on Procurement will be based on the number of restaurants interested in participating. This information is not currently known to determine a fiscal impact.

The deployment of RMP would have a significant impact to DHHS during its initial setup, but the ongoing costs thereafter will not be substantial. DHHS would need to create a set of criteria for selecting eligible restaurants. This may encompass, but is not restricted to, available health menu options, specific number of restaurants within a defined radius of the target population, proposed concessional pricing, and restaurant characteristics (i.e., availability of seating, take-out options, drive-thru, etc.). Additionally, the department would need to design a training element in order to ensure that all eligible participating restaurants and SNAP clients understand the requirements and responsibilities.

RMP would also require establishment of secure contracts with eligible restaurants to offer the meals to qualifying SNAP participants. The contract stipulations involve signing the contract with the state, applying to be a SNAP Retailer with FNS, pay for their point-of-sale equipment and services to accept EBT cards, and meet all the FNS requirements. The FNS Retailer Guide specifies that restaurants must not charge state or local sales tax on meals purchased with SNAP. It also verifies that fees, such as service fees, must be paid using another form of payment.

One Program Coordinator would be needed to coordinate the program's implementation, training for the restaurants, and complete any ongoing tracking and reporting requirements, the addition of more restaurants, and ongoing monitoring of all agreements associated with the RMP. This would be paid using 50/50 split between State General Funds and Federal Funds.

Updates to the Nebraska Family Online Client User System (N-Focus) would be required in order to create updated notices and necessary correspondences for the public and eligible households regarding RMP. This would require N-Focus ES Technical Analyst (28 hours), N-Focus Batch Technical Analyst (40 hours) and N-Focus Business Analyst (17 hours). The costs associated with N-Focus updates would be absorbed by current staff.

Furthermore, the department would need to collaborate and request the necessary system changes with Fidelity Information Services (FIS) to limit the use of SNAP benefits at participating restaurants to only RMP-eligible households. The Department would be charged business hours or a fee to "turn on" the program with FIS. The FIS estimated start-up fee cost would be \$15,000. This would be paid using 50/50 split between State General Funds and Federal Funds.

Assistance from the Data Office may be needed to help determine the number of RMP-eligible SNAP clients and geographical areas of underserved RMP-eligible SNAP clients. As of December 2024, the number of SNAP households with participants aged sixty and older was 18,736 whereas the number of SNAP households with participants considered disabled was 22,833. No additional aid costs would increase as SNAP households would receive the same benefit amount they are currently eligible for. The RMP program would increase access to additional sources to utilize their SNAP benefit. All SNAP benefits are federally funded.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2025-2026	2026-2027
	26-26	26-27	EXPENDITURES	EXPENDITURES
V73260 DHHS Program Coordinator	1	1	\$41,872	\$58,621
Benefits.....			\$14,655	\$20,517
Operating.....			\$26,180	\$15,652
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$82,707	\$94,790