



Clear thinking for
a stronger Nebraska

About OpenSky Policy Institute

The best choices are informed choices. At OpenSky, we work to make sure lawmakers and other leaders have quality data and research to make decisions that help our communities thrive.

We are **non-partisan** and focus on **tax, budget, and education finance** policy in Nebraska.

Today's Presentation

- Medicaid expansion
- SNAP
- Paid Sick and Family and Medical Leave
- Unemployment Insurance
- Small Business Assistance

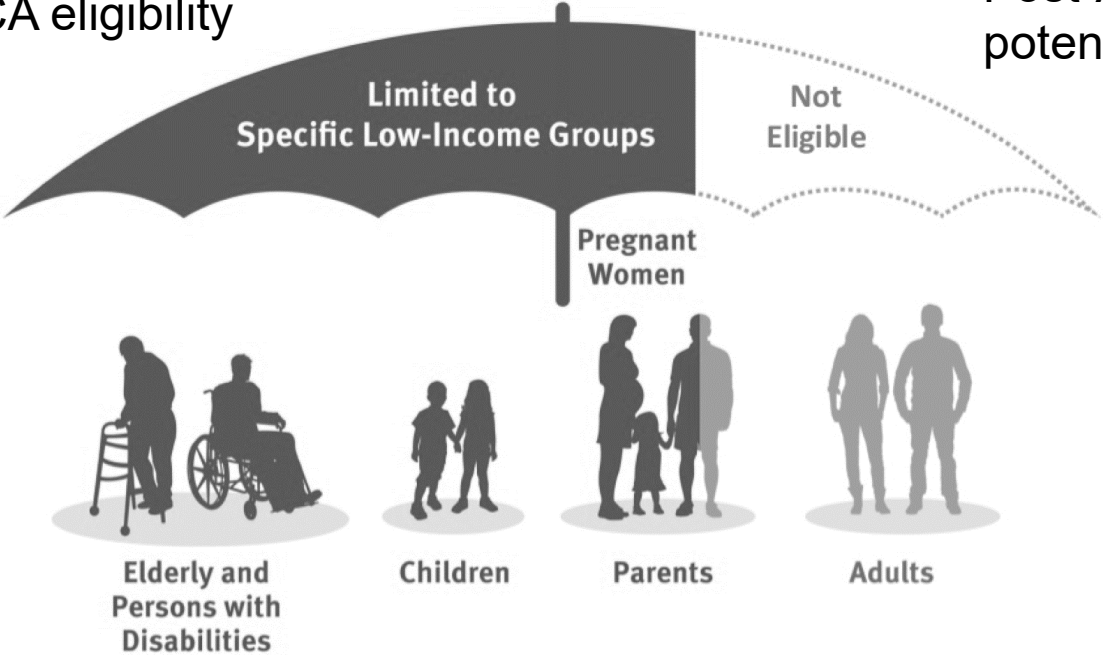
Medicaid

- 67% of the working-age population in Nebraska were enrolled in employer-sponsored health insurance plans in 2018
 - Majority of the newly-unemployed will need to turn elsewhere for coverage
 - COBRA, short-term insurance
 - Marketplace coverage available but subsidies limited
 - Medicaid eligibility is limited without expansion

Medicaid Eligibility

Pre-ACA eligibility

Post-ACA potential eligibility



Medicaid Expansion

- Ballot initiative passed November 2018
 - Expand Medicaid eligibility from 100% to 138% of the Federal Poverty Level (\$17,609 for an individual)
 - Pandemic unemployment won't be considered income.
 - State to receive 90% match
 - Much higher than traditional Medicaid, even after 6.2% bump in FMAP

Medicaid Expansion

- Heritage Health Adult Demonstration
 - Announced April 2019
 - Creates two-tiered benefit plans
 - Prime: full array of benefits currently available to traditional enrollees
 - Basic: prime benefits minus dental, vision and OTC
 - Expansion population can enroll starting August 2020 – implementation October 2020
 - All enrollees to begin in Prime tier but can drop to Basic tier for failing to meet community engagement and other health requirements
 - Eliminates retroactive eligibility

Medicaid Expansion and COVID

- Impact of COVID-19 on demonstration
 - CMS can't review application by October; won't approve retroactive eligibility piece
 - DHHS still planning on August/October timeline
 - Enrollees will start in Basic tier; can't move up until application approved
 - Current retroactive eligibility rules apply

SNAP

- Provides nutritional support for low-wage families, seniors and people with disabilities
- Intended to fill gap between cash available to buy food and “thrifty” food budget
- Benefits traditionally decrease as income increases



SNAP can be used to buy food for the household, including the following:



Fruits and vegetables



Meat, poultry, fish and dairy



Snack foods, non-alcoholic beverages, seeds and plants for food



SNAP can't be used to buy non-food items, including the following:



Hot and prepared foods



Beer, wine, liquor and tobacco



Vitamins, medicines and supplements

SNAP

100% of FPL

\$2,092

All households
must have net
income below 100%
FPL

• MONTHLY INCOME THRESHOLDS FOR A FAMILY OF FOUR •

Households
without an elderly
or disabled
member must also
have gross income
below 130% FPL

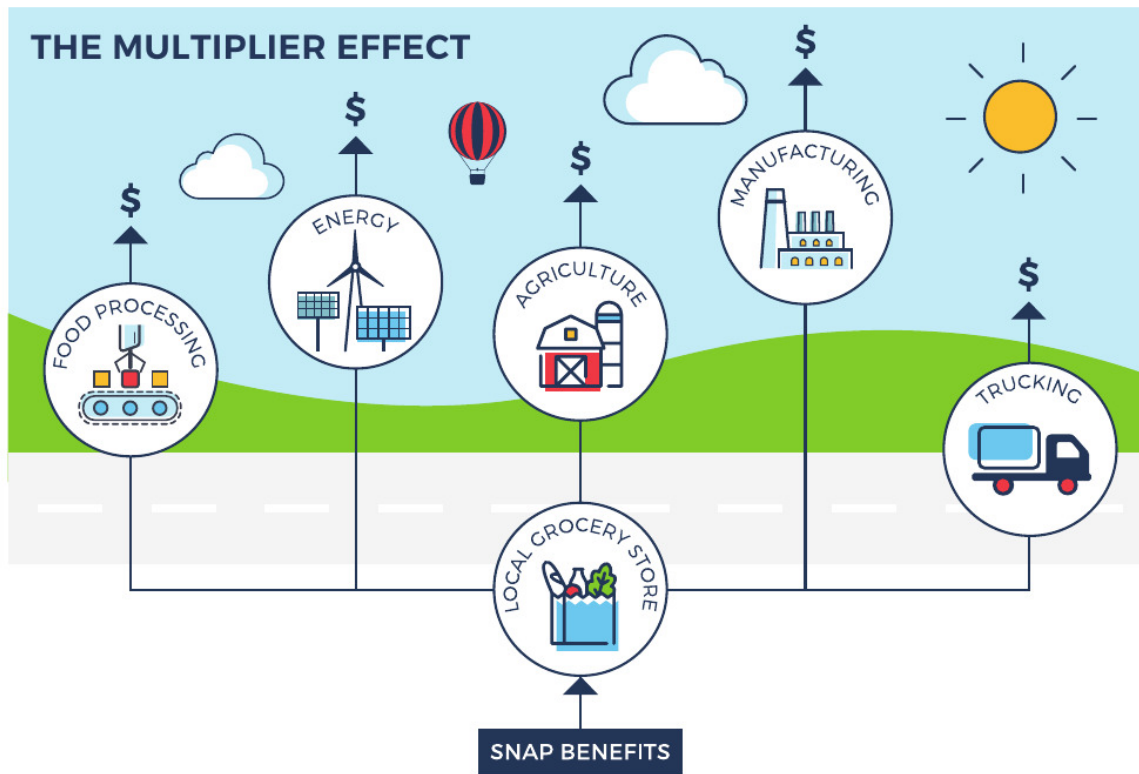
130% of FPL

\$2,720

Source: U.S. Department of Health and Human Services

SNAP

- Efficient form of economic stimulus during downturns
 - Benefits distributed/spent quickly
 - \$1 in SNAP spending = \$1.70 in economic activity



SNAP

- Federal government allowing states significant flexibility in tailoring programs
 - NE has applied for nearly all available waivers
 - Hasn't sought waiver to provide funds to families having to replace free/reduced lunches at home
- State could increase income limit to 200% of FPL (\$4,292/mo. for family of four)
 - NE one of only nine states to keep income limit at 130% (minimum allowed)
 - 17 have 200% limit

Sick and Family and Medical Leave

- Federal government passed Families First Coronavirus Response Act (FFCRA) in March, providing some employees **paid** sick leave and extended family and medical leave.
- Covers employees working for companies of fewer than 500 employees (companies with fewer than 50 may seek an exemption).
 - Also allows the Department of Labor to exempt certain employees, including health care providers and emergency responders.

Sick and Family and Medical Leave

- What are they?
 - Paid Sick Leave: employer-provided benefit that typically provides employee with time off for self-care or family medical needs at the employee's regular rate of pay.
 - Family and Medical Leave (FMLA): job protection for some employees that allows up to 12 weeks per year of unpaid, job-protected leave for specific family and medical issues and allows employees to stay on health coverage.
- Nebraska does not require employers to provide either.

Policy During COVID-19 Crisis

- Paid sick leave: covered employees offered 80 hours at employee's regular rate of pay (up to \$511 per day) when the employee is unable to work due to quarantine and/or COVID-19 symptoms.
- Covered employees offered 80 hours of paid sick leave at 2/3 of employee's regular rate of pay (up to \$200 per day) if employee can't work because they need to care for someone subject to quarantine or to care for a child whose school/daycare is closed due to COVID-19.
- Paid *extended* family and medical leave: covered employees offered up to 10 weeks of *extended* leave at 2/3 of employee's regular rate of pay (up to \$200 per day) if employee can't work because they need to care for someone subject to quarantine or to care for a child whose school/daycare is closed due to COVID-19.

The Importance of Paid Sick and Family and Medical Leave

- COVID-19 has highlighted a gap in states that don't require employers to provide paid sick leave and FMLA.
 - Employees without these benefits cannot take time off work if they are ill, or if they need to care for a family member, without risking losing their job.
 - These employees may need to come to work while sick in order to keep their job, risking the health and safety of other employees and customers.

Nebraska Unemployment Insurance Basics

- Paid out of the State Unemployment Trust Fund
- Replaces 50% of a worker's average weekly wage.
- Weekly benefit is capped at half of state average weekly wage (current weekly cap: \$440).
- Can receive benefits for up to 26 weeks
- Work Share / Short Time Compensation Program:
 - Allows employers to uniformly reduce affected employees' hours by 10 to 60 percent while the employees receive a prorated unemployment benefit.

Nebraska UI Eligibility

- Work Search Requirement: Begin at five job contacts and one application for suitable work per week; ramp up to five job contacts on at least four different days and two applications for suitable work per week.
- Minimum Earning Requirement: \$4,135 or more in the first four of the previous five quarters, including at least \$1,850 in one quarter and at least \$800 in a different quarter.

Nebraska UI Reciprocity

Nebraska's UI reciprocity rate was 10% in the final quarter of 2019 - meaning that only one in ten eligible Nebraskans receive benefits.

- Reciprocity rate ranks 49th out of the 50 states.
- Thirty states have a reciprocity rate of at least 25%.

Nebraska has Waived UI Requirements During COVID-19

Executive Order #1 (March 17th):

- Waives requirement that individuals be looking for work and willing to work.
- Waives the “waiting week” to start collecting benefits.
- Waives charges to employers whose team members are filing claims.

Executive Order #2: (April 30th)

- Amends unemployment benefit eligibility to be retroactive back to March 15th (previously March 22nd)
- Speeds up the processing of unemployment claims

UI Policy Recommendations

The Covid-19 Crisis highlights the importance of UI and the weaknesses in Nebraska's current system.

1) Raise Nebraska's UI reciprocity rate:

- Work search requirements can be onerous, particularly for rural Nebraskans.
- Earning requirement disadvantages low-wage workers - state could consider a minimum hours worked requirement instead.

2) Raise the wage replacement rate and maximum weekly benefit:

- A 40-hour week, minimum wage worker would currently receive \$180/week in benefits – the equivalent of \$9,360/year.
- The \$440/week cap is the equivalent of \$11/hour, or \$22,880/year

Small Business Assistance in Nebraska

- \$660 Billion Nationally for Payroll Protection Program
 - Out of the first \$350 Billion, Nebraska received \$1,549 per capita (5th highest nationally)
- Coronavirus Relief Fund – \$1.25 Billion to Nebraska
 - Treasury guidance establishes that costs related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures are eligible expenditures of Fund payments.
 - “The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would be an eligible expenditure” (Treasury FAQ).

Business Assistance Programs in Other States

- Idaho's "Rebound Cash Grants for Small Businesses" - \$300 million program (24% of total CRF award), individual business grants of up to \$10,000.
- Florida Small Business Emergency Loan Program – businesses with less than 100 employees can apply for short-term loans of up to \$50,000.
- Maryland Small Business Relief Package – Up to \$125 million in loans and grants to small businesses and nonprofits in the state.

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