

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	3,578,781		3,578,781	
CASH FUNDS				
FEDERAL FUNDS	894,695		894,695	
OTHER FUNDS				
TOTAL FUNDS	4,483,473		4,483,473	

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

Beginning July 1, 2012, this bill requires the Department of Health and Human Services to pay foster parents directly using the methods in the Foster Care Minimum Adequate Rates for Children study adjusted for inflation and the family's location with additional compensation provided for children with special needs. The bill also requires that foster parents be paid directly by the department. The contracts with lead agencies would need to be amended to remove the foster parent payments from the contracts.

The bill references a 2007 study of foster care rates done by the National Foster Parent Association and the University of Maryland School of Social Work. The components that make up the rates differ. For instance, the rate in the study included liability insurance. In Nebraska insurance is provided by the department. The following chart shows the rate difference, adjusted for liability insurance:

Age Range	# of Children	Study Rate	NE Rate	Difference Per Child	Total Difference
0 to 5	701	628	342	286	2,405,832
6 to 11	437	721	500	221	1,158,924
12 and older	440	791	617	174	<u>918,720</u>
					<u>4,483,476</u>

The costs to adjust the foster care rates to foster parents would be \$4,483,473 (\$3,578,781 GF and \$894,695 FF) annually.