PREPARED BY: DATE PREPARED: PHONE: Liz Hruska February 04, 2013 471-0053 **LB 555**

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)										
	FY 201	3-14	FY 2014-15							
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE						
GENERAL FUNDS	18,889		18,889							
CASH FUNDS										
FEDERAL FUNDS	750,000		750,000							
OTHER FUNDS										
TOTAL FUNDS	768,889		768,889							

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

This bill establishes a grant program with \$750,000 from federal Temporary Assistance for Needy Families (TANF) funding in FY 14 and FY 15. The grants would be awarded to non-profits that provide new or innovative after-school programs and additional academic programming in geographic areas that serve a high concentration of students who qualify for the free lunch or free milk programs. The bill creates the Educational Success Fund. The fund and the program would be administered by the Children and Family Services Division within the Department of Health and Human Services. The bill authorizes \$25,000 for administration of the program. Grant recipients are required to submit an annual report to the Department and to the Clerk of the Legislature.

Use of TANF funds must meet at least one of the four purposes of the program. Those purposes are:

- •assisting needy families so that children can be cared for in their own homes
- •reducing the dependency of needy parents by promoting job preparation, work and marriage
- preventing out-of-wedlock pregnancies
- •encouraging the formation and maintenance of two-parent families

In this fiscal note, it is assumed this program meets one of the purposes of TANF, as this is modeled after programs in other states that use TANF funds for similar programs.

HHS indicates on their fiscal note, that the \$25,000 for administration is not adequate to cover the cost for a half-time program specialist that is needed to oversee this program. The Home Visitation Program a similar grant program employs a full-time program manager. The Home Visitation Program has a combined state and federal budget that is twice the level of funding in this bill. Based on the comparability of the work, the need for a half-time program specialist appears to be reasonable. State General Funds would be required to cover the estimated additional costs of \$18,889 above what is authorized from TANF funds in the bill. Additional TANF funds could also be used, if authorized.

The amount from TANF funds for the grant program would draw down the balance. The projected balance at the end of FFY 16 is \$21.9 million. With this bill, the projected balance would be \$19.4 million.

Technical Note: The bill transfers federal funds into a cash fund. Federal funds should be appropriated and not placed into a cash fund.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: <mark>555</mark>	AM:	AGENCY/POLT. SUB: HHS					
REVIEWED BY: Elton Larson		DATE: 2/5/2013	PHONE: 471-4173				
COMMENTS: Concur with HHS analysis							

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION State Agency or Political Subdivision Name:(2) Department of Health and Human Services Prepared by: (3) Willard Bouwens Date Prepared:(4) 2-5-13 Phone: (5) 471-8072 FY 2013-2014 FY 2014-2015 **EXPENDITURES REVENUE EXPENDITURES REVENUE GENERAL FUNDS** \$18,889 \$18,889 **CASH FUNDS FEDERAL FUNDS** 750,000 750,000 OTHER FUNDS **TOTAL FUNDS** \$768,889 \$768,889

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 555 directs \$750,000 TANF block grant funds to the Preparing Students for Educational Success Fund. The Department would distribute grants to develop after-school programs. The bill states that \$25,000 may be withheld for administrative costs. This amount would not completely cover the .5 FTE Program Specialist needed to administer the program and manage the grants. An additional \$18,889 GF is needed to fund the position.

Four bills introduced this session (LB 236, LB 368, LB 555, and LB 508) contain new appropriations of TANF block grant funds totaling \$8,683,314 each year. Obligations above the full annual TANF Block Grant are currently being expended. Obligations above the annual TANF Block Grant are met by drawing down TANF rainy day funds. If these bills are enacted, it is estimated the TANF block grant and balances will be depleted by June 30, 2015. This will result in the need for increased General Fund appropriations of \$6,444,204 for FY2015-16 and \$27,380,603 for FY2016-17 to finance TANF programs.

MAJOR OBJECTS OF EXPENDITURE									
PERSONAL SERVICES:									
POSITION TITLE	NUMBER OF 13-14	POSITIONS 14-15	2013-2014 EXPENDITURES	2014-2015 EXPENDITURES					
DHHS Program Specialist	.5	.5	\$21,182	\$21,182					
Benefits			8,473	8,473					
Operating			14,234	14,234					
Travel									
Capital Outlay									
Aid			725,000	725,000					
Capital Improvements									
			\$768,889						