

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$21,567,971		\$38,175,308	
CASH FUNDS				
FEDERAL FUNDS	\$6,822,214		\$12,075,319	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$28,390,185</b>		<b>\$50,250,627</b>	

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

This bill states legislative intent to increase the reimbursement rates for Child Welfare service providers by 10% in FY 24 and 7% in FY25. This includes the Department of Health and Human Services (DHHS) Program 354 Child Welfare Aid and the Supreme Court Program 437 Juvenile Justice. The bill clarifies that this increase is intended to be in addition to any other increase provided by law.

Within DHHS the bill specifies that this includes providers of Group Home Services, Out -of-Home Care Services, Out-of-Home Maintenance, Agency-Supported Foster Care, Emergency Shelter Center Care, Agency-Supported Respite Care, Drug Testing, In-Home Family Support, Out-of-Home Family Support, Supervised Visitation, In-Home Safety, Family Finding, Options Education, Kinship Navigation, Home Studies, Travel Time and Distance, Intensive Family Preservation, Intensive Family Reunification Service, and any other service presently contracted for by DHHS that is intended to meet the needs of children and families in Nebraska.

DHHS estimates the cost of the rate increases to amount to \$24,808,620 in aid in FY24 (\$17,986,406 General Funds and \$6,822,214 Federal Funds) and \$43,911,257 in aid in FY25 (\$31,835,938 General Funds and \$12,075,319 Federal Funds). Additionally, there would be operational expenses associated with the rate increases such as staff time to review, evaluate, and approve of contracts. DHHS would absorb the administrative/operational expenses within current agency resources.

The Supreme Court estimates the cost of the rate increases to Program 437 Juvenile Justice to amount to \$3,581,565 in aid in FY24 and \$6,339,370 in aid in FY25 all of which would necessitate General Funds. The Supreme Court notes that the bill is specifically directed at juvenile justice service providers however aligning the rates of all Probation (including Program 420 State Specialized Court Operations and Program 435 Probation Community Corrections) to DHHS is essential for maintaining access to services for all of Probation.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>				
LB:	470	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman	DATE:	3-20-2023	PHONE: (402) 471-4180
COMMENTS: The Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact to the department appears reasonable.				
<u>Technical Note:</u> The current appropriation language is not sufficient to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804.				

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>				
LB:	470	AM:	AGENCY/POLT. SUB: Nebraska Supreme Court	
REVIEWED BY:	Ann Linneman	DATE:	3-20-2023	PHONE: (402) 471-4180
COMMENTS: No basis to disagree with the Nebraska Supreme Court's estimate of fiscal impact to program 437.				
Disagree with impact to programs 420 and 435, as the bill specifically states this is for child welfare service providers, which are not in these adult court and probation programs.				

**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 3-17-2023

Phone: (5) 471-6719

	<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
<b>GENERAL FUNDS</b>	17,986,406		\$31,835,938	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	6,822,214		12,075,319	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	<u>\$24,808,620</u>		<u>\$43,911,257</u>	

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

**Explanation of Estimate:**

LB 470 includes an intent to appropriate funds equivalent to a 10% increase to all child welfare services in FY24 and then an additional 7% increase to all child welfare services in FY25. This bill is intended to be in addition to any other increase provided by law. This bill has an emergency clause which would be effective when signed into law.

The first rate increase listed in the bill would be effective on July 1, 2023. The services and rates currently published on the CFS website would not require amendments to begin on July 1, 2023, as language within our agreements only requires notice of rate changes to be sent to providers and updated rates published on the website. CFS would need to amend the current contracts that are already moving through the Procurement process to implement the changes for FY23-24. In addition, CFS would need to amend the current contracts/sub-awards for all other services outside of the current child welfare services as they are listed within the bill.

Cost associated with these rate increases are as follows:

FY24 State General Funds: 17,986,406  
 FY24 Federal Funds: 6,822,214  
 FY24 Total Funds: \$24,808,620

FY25 State General Funds: \$31,835,938  
 FY25 Federal Funds: \$12,075,319  
 FY25 Total Funds: \$43,911,257

LB 470 would require CFS Central Office to increase Program Specialist staff hours to re-draft or update all 2023-2024 child welfare service contracts, dependent on when the bill is passed. It would require CFS Procurement to increase their staff hours to review, evaluate, and approve all 2023-2024 child welfare services contracts, dependent on when the bill is passed. The department will absorb these costs.

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2023-2024	2024-2025
	23-24	24-25	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$24,808,620	\$43,911,257
Capital Improvements.....				
<b>TOTAL</b> .....				

