Liz Hruska January 30, 2013 471-0053

LB 216

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
	FY 2013-14		FY 2014-15		
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE	
GENERAL FUNDS	3,266,999 to 3,388,329		3,231,038 to 3,354,797		
CASH FUNDS					
FEDERAL FUNDS	3,581,711 to 3,680,983		3,094,495 to 3,195,753		
OTHER FUNDS					
TOTAL FUNDS	6,848,710 to 7,069,312		6,325,531 to 6,550,548		

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

This bill establishes the Young Adult Voluntary Services Act. Former state wards between the ages of 19 and 21 could voluntarily request continued services from the state. Extended care and support includes, but are not limited to Medicaid coverage, housing support and case management. The Department of Health and Human Services shall conduct a redetermination of income eligibility for Title IV-E for young adults who sign up for voluntary services and support under this act. Beginning on July 1, 2013, the young adults covered under this bill would be eligible for housing support. Beginning January 1, 2014, all provisions of the bill shall take full effect and the Department must have rules adopted and promulgated by this date. The bill has the emergency clause.

It is estimated that approximately 429 former wards would voluntarily seek assistance. Medical costs would be approximately \$1,000,000 (\$440,000 GF and \$560,000 FF) for a half year in FY 13. The costs would be the same in FY 14. Beginning January 1, 2014, the youth will qualify for Medicaid coverage under the Affordable Care Act.

Mainspring Consulting recently completed a study of the costs of extending benefits and supports to foster children aging out of the system. Maintenance and support costs are estimated to be \$4,016,870 in FY 14 and \$4,089,487 in FY 15. Case Management services are estimated to be between \$2,154,936 and \$2,375,541 in FY 14 and \$2,198,035 to \$2,423,052 in FY 15. The Mainspring study assumes \$400,000 of existing Chafee federal funds would be use and \$526,700 of existing payments to former wards. The study assumes the Title IV-E match would be approximately \$2,761,760 million to \$2,861,032 million in FY 14 and \$2,816,995 to \$2,918,253 in FY 15. The state General Fund costs would be between \$2,483,349 and \$2,604,679 in FY 14 and \$2,543,827 to \$2,667,586 in FY 15. The study assumes a higher ratio of former wards would meet Title IV-E eligibility than the current ratio of foster children. If fewer former wards meet Title IV-E eligibility, then federal funds would be lower and General Funds would be higher.

The Department is to provide or contract for six-month reviews. Since the Foster Care Review Office currently conducts the six-month review for children in out-of-home care, it is likely that office would be contracted to conduct these reviews. The review costs are estimated to be \$567,996 (\$312,398 GF and \$255,598 FF) in FY 14 and \$572,372 (\$314,804 GF and \$257,567 FF) in FY 15.

The voluntary cases would be processed through the court system. Additional court resources would be required with the biggest impact on the Juvenile Courts in Douglas and Lancaster Counties. A contracted judicial hearing officer would cost \$561 a day. Assuming Douglas County has half of the voluntary agreements and Lancaster County has one third, the cost would be \$200,277 in FY 15. In FY 14, because the effective date is January 1, 2014, there would not be any reviews.

Extending guardianships and adoption assistance to age 21 would cost \$35,605 (\$32,252 GF and \$4,353 FF) in FY 14 and \$192,130 (\$172,130 GF and \$19,933 FF) in FY 15

The number of youth signing voluntary agreements is expected to increase in subsequent years, as children existing the system will be more connected and better informed of the supports available than those that have already left the system and may not be aware of the supports that are available.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES					
LB: 216 AM: AGENCY/POLT. SUB: Supreme Court					
REVIEWED BY: Elton Larson DATE: 1/30/13 PHONE: 471-4173					
COMMENTS: The Supreme Court indicates that there will be a fiscal impact to the Court and to counties. The Court is					
unable to make assumptions that result in an estimate of fiscal impact.					

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾ 216	FISCAL NOTE				
State Agency OR Political Subdivision Name: ⁽²⁾		Supreme Court			_
Prepared by: ⁽³⁾	Eric Asboe	_ Date Prepared: (4)	1/28/13	Phone: (5)	1-4138
	ESTIMATE PROVIDE	<u>D BY STATE AGENC</u>	Y OR POLITICAL S	<u>UBDIVISIO</u>	N
	<u>FY 20</u> <u>EXPENDITURES</u>	<u>13-14</u> <u>REVENUE</u>			
GENERAL FUND	DS				
CASH FUNDS					
FEDERAL FUND					
OTHER FUNDS	. <u></u>				
TOTAL FUNDS					

<u>Return by date specified or 72 hours prior to public hearing, whichever is earlier.</u> Explanation of Estimate:

LB 216 will most likely have an impact; however, the extent of the impact is unknown at this time. It is assumed any impact will probably not occur until FY14-15 since the Act takes full effect on 1/1/2014. Although it is estimated that approximately 300 youth per year will be eligible to enter into a voluntary agreement, the impact on the court system will be dependent on the following factors which are difficult to estimate:

1. The number of signed agreements.

2. The length of time for each agreement since a youth can opt into or out of this program at any time.

3. The number of permanency hearings conducted since the court is required to conduct a hearing at any time if the youth, Department of Health and Human Services (DHHS) or any party to the proceeding request one.

It is assumed that the biggest impact would be on urban courts with large caseloads. LB 216 does give the Supreme Court the option of utilizing judicial hearing officers. Although the cost has not been determined, if that becomes necessary, and if a hearing officer were to be paid the same as a sitting juvenile court judge, the daily rate would be \$ 561.22/day.

It is assumed that an attorney appointed at the request of the youth would be an expense of the county in which the youth resides.

M	AJOR OBJECT	S OF EXPENDI	ΓURE	
Personal Services:				
	NUMBER OF POSITIONS		2013-14	2014-15
POSITION TITLE	<u>13-14</u>	<u>14-15</u>	EXPENDITURES	EXPENDITURES
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				

LB₍₁₎ <u>216</u>

FISCAL NOTE

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 Bouwe	ens Date Prepare	ed:(4) 1-30-13	Phone: (5) 471-8072		
	<u>FY 2013-20</u>	014	<u>FY 2014-20</u>	15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE	
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS	See below	See below	See below	See below	

Explanation of Estimate:

An independent consultant developed the methodology for estimating the fiscal impact of this program.

Due to this being an entitlement program, the Department assumed that 50% of the children eligible would participate in this voluntary program.

As the bill currently reads, it would also entitle any youth who entered into an adoption or guardianship after the age of 16 to be eligible for this voluntary program. There are also additional program, administrative and legal staff that would be needed.

The estimate includes the following expenditures:

Extended Adoption Assistance \$60,433 (\$44,981 GF, \$15,452 FF) Extended Guardianship Asst (Using Option 1 of consultant study) \$200,526 (\$189,376 GF, \$11,150 FF) Voluntary Care to 21 \$8,432,176 (\$4,133,790 GF, \$4,298,386 FF) Staffing including salary and benefits, operations (indirect cost), and annual administrative costs for host homes and direct stipends \$7,142,208 (\$5,999,455 GF, \$1,142,753 GF) Annual service cost \$276,595 (GF) Annual Flex Fund costs \$926,100 (GF) Medicaid expenses cannot be determined.

The total estimated cost of this program, excluding possible Medicaid expenditures, is \$17,038,038 (\$11,570,297 GF, \$5,467,019 FF)

The independent consultant study also assumed that existing Chafee (\$400,000) and Fomer Ward (\$526,700) funds would be available to offset expenditures.

NUMBER OF POSITIONS	2013-2014	2014-2015
13-14 14-15	EXPENDITURES	EXPENDITURES

Operating		
Travel		
Capital Outlay		
Aid	_	
Capital Improvements	_	
TOTAL	See above	See above