

Revised to reflect amendments adopted through 4-5-13

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	1,155,743		939,374	
CASH FUNDS				
FEDERAL FUNDS	1,560,986		1,377,638	
OTHER FUNDS				
TOTAL FUNDS	2,716,729		2,317,012	

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 foster children between the ages of 19 and 21 could voluntarily request continued services from the state, if certain conditions are met. Those who enter into a guardianship or adoption after January 1, 2014 are also eligible, if they entered into the guardianship or were adopted at age 16, if they also met the conditions outlined in the bill. Extended care and support includes, but are not limited to Medicaid coverage, housing support and case management. Medical support would begin on July 1, 2013, and all other supports would be in effect on January 1, 2014. 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 January 1, 2014, the young adults covered under this bill would be eligible for housing support. The juvenile court will oversee the voluntary agreement cases and shall hold a hearing not more than 180 days after the agreement is signed and at least once a year and at additional times at the request of the youth. Beginning January 1, 2014, all provisions of the bill shall take full effect. On or before July 1, 2013, The Nebraska Children’s Commission shall appoint a Young Adult Voluntary Services and Support Advisory Committee. The bill has the emergency clause.

It is estimated that approximately 172 former wards would voluntarily seek assistance and 15 children with adoption subsidies and 30 with guardianships.

Medical costs would be approximately \$1,600,000 (\$720,000 GF and \$880,000 FF) for a half year 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. Using their model and their participation rates, Maintenance costs are estimated to be \$704,730 (355,889 GF and \$348,841 FF) in FY 14 and \$1,437,649 (\$726,013 GF and \$711,363 FF) in FY 15. The current General Fund appropriation for the former ward program is \$263,350 in FY 14 and \$526,700 in FY15 and will be used to offset the General Fund costs. Service costs would be \$23,117 (\$11,674 GF and \$11,443 FF in FY 14 and \$47,158 (\$28,059 GF and \$19,099 FF) in FY 15. Flexible funds costs would be \$77,400 (\$39,087 GF and \$38,313 FF) in FY 14 and \$154,800 (\$78,174 GF and \$76,626 FF) in FY 15.

Case Management services are estimated to be \$476,216(\$238,204 GF and \$238,012) FF in FY 14 and \$971,480 (\$487,708 GF and \$483,772 FF) in FY 15.

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 \$98,616 (\$54,239 GF and \$44,377 FF) in FY 14 and \$192,232 (\$105,728 GF and \$86,504 FF) 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 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 \$40,392 in FY 15. In FY 14, because the effective date is January 1, 2014, there would not be any reviews.

The number of youth signing voluntary agreements is expected to increase in subsequent years, as children exiting 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.