

Revised to include a new agency response

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS			2,023,394	
CASH FUNDS				
FEDERAL FUNDS			214,340	
OTHER FUNDS				
<b>TOTAL FUNDS</b>			<b>2,237,394</b>	

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

This bill extends the Nebraska Children’s Commission until June 30, 2016. The Commission is currently set to expire on June 30, 2014. The bill requires the reimbursement rate recommendations of the Foster Care Rate Commission to be implemented on or before July 1, 2014. The Department of Health and Human Services is required to establish a pilot project implementing the standardized level of care assessment tools containing standardized criteria to determine a foster child’s placement needs and to appropriately identify the foster care reimbursement rate. The assessment is to be research-based, supported by evidence-based practices and reflect the commitment to systems of care and a trauma-informed, child-centered, family-involved and a coordinated process. The pilot shall consist of two groups, one urban and one rural. By December 1, 2013, the Children’s Commission shall make recommendations to the Legislature based on a review of the pilot project. On or before January 1, 2016, the Children’s Commission shall appoint a Foster Care Reimbursement Rate Committee to make recommendations on the foster care rate structure. The Commission shall reconvene the Committee every four years. The Committee is to recommendations on July 1, 2016 and every four years thereafter.

The chart below shows the rates recommended by the Reimbursement Rate Committee, current rates, the difference and the increase needed to pay rates at the recommended level. In the current fiscal year, an additional \$3.10 per day was added to the foster care rate for all children. HHS has stated their budget request includes the continuation of this amount. The continuation of those rates are assumed in this fiscal note, also. The department’s budget also assumes a 5% decrease in the number of child in out-of-home placements, as does the calculations in this fiscal note.

Age Range	# of Children	Monthly Study Rate	NE Rate	Difference Per Child	Total Difference
0 to 5	666	608	436	172	1,374,521
6 to 11	415	699	594	105	523,089
12 and older	418	760	711	49	245,784
	<b>1,499</b>				<b>2,143,394</b>

The costs to adjust the foster care rates to foster parents would be \$2,143,394 (\$1,929,054 GF and \$214,340 FF) beginning in FY 15.

The Department of Health and Human Services fiscal note includes funding in their base of \$3 million GF along with the federal matching funds.

No new costs are associated with the pilot project.

Continuation of the Children’s Commission would cost \$94,000 GF in FY 15 and FY 16, assuming the continuation of the same staffing structure.

**LB<sup>(1)</sup> 530 AM621 & 364 FISCAL NOTE**

**2013**

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

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Date Prepared:(4) 4-29-13

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	<u>FY 2013-2014</u>		<u>FY 2014-2015</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$3,043,791		\$5,067,185	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$246,794		\$461,134	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$3,290,585	\$0	\$5,528,319	\$0

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

**Explanation of Estimate:**

LB530 AM621 would delay the implementation of the reimbursement rate recommendations of the Foster Care Reimbursement Rate Committee in Sec. 2 of LB530 until July 1, 2014. LB530 AM621 would change to Sec.7 of LB530 and extend the Foster Care stipend from an ending date of June 30, 2013 to June 30, 2014. LB820A of the of the 102nd Legislative Session of 2012 originally appropriated funding to carry out the provisions of LB820 including a stipend for Foster Care only through SFY2013. The DHHS budget request included a continuation of the amounts used for the stipend (approximately \$3.29M) and that amount would cover the extension of the stipend until the end of SFY2014. It is assumed that this amount would also be needed to partially fund a rate increase beginning in SFY15 together with funds in the amount of \$2,143,394, as estimated by the Legislative Fiscal Office. The continuation of the Children’s Commission was estimated as \$94,340 for both SFY2015 and SFY2016.

Assuming the the current stipend were continued for SFY2014 and that new foster care rates were established for SFY15 the estimated cost for SFY2014 would be \$3,290,585 (\$3,043,791 GF, \$246,794 FF) to continue the stipend in Program 354. The estimated cost for SFY2015 would be \$5,433,979 (\$4,972,845 GF, \$461,134 FF) costs to Program 354.

The total estimated fiscal impact of LB530 AM621 would be \$3,290,585 for SFY2014 and \$5,528,319 for SFY2015 including the funds for the Children’s Commission. (Note that this fiscal note is showing the budget request amount in addition to the new amounts required.)

There is no impact due to LB530 AM364.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2013-2014 EXPENDITURES	2014-2015 EXPENDITURES
	13-14	14-15		
Benefits.....				
Operating.....				\$94,340
Travel.....				
Capital Outlay.....				
Aid.....			\$3,290,585	\$5,433,979
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$3,290,585</b>	<b>\$5,528,319</b>