

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB 1290 proposes changes to the Nebraska Uniform Trust Code.

Section 2 states that the policy of the State of Nebraska aims to promote the use of special needs trusts by individuals with disabilities. These trusts are intended to safeguard funds that can be used to cover the needs of these individuals that are not addressed by governmental benefits. Additionally, the policy seeks to enhance the quality of life of these individuals by providing a means to manage and allocate resources specifically for their benefit and care.

Section 3 defines terms for LB 1290.

Section 4 outlines directives for state agencies in Nebraska that administer means-tested governmental benefits to individuals with disabilities, including medical assistance programs.

Section 5 addresses the qualifications for nonprofit organizations operating pooled special needs trusts, specifically in relation to their compliance with federal law as outlined in 42 U.S.C. 1396p(d)(4)(C), which pertains to the establishment and operation of such trusts.

Section 6 specifies the scope of applicability for regulations adopted by state agencies concerning pooled special needs trusts. The regulations set by these agencies are limited in their application to trust beneficiaries who are residents or beneficiaries receiving state-funded governmental benefits.

The Department of Health and Human Services (DHHS) states that the bill mandates changes to Title 477, specifically chapters 20 and 23, which cover definitions related to trusts and rules on trust counting and asset transfers, potentially increasing trust creation by expanding definitions that may not align with federal standards.

The review of trusts for Medicaid applicants or recipients currently consumes up to 75% of a program specialist's time, diverting them from their primary duties. Consequently, the bill necessitates hiring an additional full-time DHHS Program Specialist to manage the increased review workload. Should the bill take effect on October 1, 2024, the estimated cost for this additional position is \$62,205 in FY24-25 and \$87,089 in FY25-26.

The Supreme Court estimates a minimal fiscal impact to provide education.

The Department of Banking and Finance estimates no fiscal impact from LB 1290.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
<b>LB: 1290</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Nebraska Supreme Court (005)</b>
REVIEWED BY: Joe Wilcox	DATE: 02/23/2024	PHONE: (402) 471-4178
COMMENTS: No disagreement with the Nebraska Supreme Court estimate of Minimal Fiscal Impact to the Judicial Branch from LB 1290, with No additional resources required.		



Please complete ALL (5) blanks in the first three lines.

**2024**

**LB<sup>(1)</sup> 1290**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Banking and Finance

Prepared by: <sup>(3)</sup> Michael Fabry Date Prepared: <sup>(4)</sup> 02/22/2024 Phone: <sup>(5)</sup> 402-471-3223

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

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No fiscal impact

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

**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 2-22-2024

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$31,103		\$43,545	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$31,103		\$43,544	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$62,206	\$0	\$87,089	\$0

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

**Explanation of Estimate:**

LB1290 proposes changes to the Nebraska Uniform Trust Code that would affect how state agencies treat special needs trusts and pooled trusts. The bill would require modifications to Title 477, specifically to chapters 20 and 23. Chapter 20 includes definitions related to trusts, disabled individuals, and trust beneficiaries, while chapter 23 contains rules related to trust counting and the transfer of asset provisions. Expanding the State's definitions of trust may lead to a misalignment with federal requirements. As a result, the bill could potentially increase trust creation.

All trusts for Medicaid applicants or recipients (special needs, pooled, burial, revocable, or irrevocable, etc.) undergo a review of their terms. This review takes up to 75% of a program specialist's time, resulting in program specialists being removed from their regular duties. This bill would require an additional 1 FTE (DHHS Program Specialist) to conduct thorough reviews of all trusts due to the proposed changes in the bill.

Assuming an effective date of October 1, 2024, the total cost for adding FTE in SFY25 would be \$62,205 and \$87,089 in SFY26.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2024-2025	2025-2026
	24-25	25-26	EXPENDITURES	EXPENDITURES
C73210 – DHHS Program Specialist	0.75	1.00	\$36,368	\$50,916
Benefits.....			\$12,729	\$17,820
Operating.....			\$13,109	\$18,353
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>			\$62,206	\$87,089

Please complete ALL (5) blanks in the first three lines.

**2024**

**LB<sup>(1)</sup> 1290**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> 05 Supreme Court

Prepared by: <sup>(3)</sup> Eric Asboe Date Prepared: <sup>(4)</sup> 2/22/2024 Phone: <sup>(5)</sup> 402-326-9215

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

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Minimal fiscal impact to provide education. No additional resources required.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____