

**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>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$137,194		\$121,856	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$137,194</b>		<b>\$121,856</b>	

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

The Child/Adult Abuse and Neglect Central Registry is administered by the Department of Health and Human Services (DHHS). This bill requires that for each person entered into the Abuse and Neglect Central who is a perpetrator of a court or agency substantiated case of child abuse or neglect which occurred a licensed child care facility, the license holder is required to submit a list of names and addresses of all parents, guardians, or custodians of all children in their care at the time of the incident. DHHS must then provide written notice by mail within ten days of the entry to all parents, guardians, or custodians that includes the date of occurrence but does not identify the type of abuse or neglect, the victim, or the perpetrator.

Multiple areas of DHHS would be impacted by this bill. The Division of Public Health Child Protection Unit would be responsible for notifying the Child Care Licensing Unit on violations. The Child Care Licensing Unit would be responsible for obtaining the contact information from the license holder; meeting the deadline of ten days would be subject to compliance of licensee submitting the contact information in a timely manner thus not guaranteed. DHHS indicates cost to the areas of Public Health in the form of additional work requirements would be absorbed within current resources.

The division of Children and Family Services (CFS) would have additional responsibility that would require additional funding. Updates to the software N-FOCUS (Nebraska Family Online Client User System) including creation of a new form as well as updates to policies and procedures total to \$45,960 in the first year only. DHHS indicates that in 2022 there were 15 agency-substantiated abuse and/or neglect cases against childcare licensees and 12 pending court cases. Based on the 2023 Nebraska Child Care Market Rate Survey the total enrollment averages across all provider types was 48. DHHS assumes the need to notify a total of 675 written notifications (15 incidents x 45 enrollee recipients) delivered by certified mail at a cost of \$5,467 for a full year and \$4,100 for three quarters of year. DHHS estimates needing two additional FTE, one at the Administrative Technician level and one at the CFS Specialist level, starting in October 2023 to perform the additional work requirements of the bill. The cost of salary, benefits, and new computers for the two employees totals to \$87,134 for three quarters of FY24 and salary and benefits of \$116,389 in FY25. The total cost, assuming a start date of October 1, 2023, of personnel, system updates, and mailing costs is \$137,194 in FY24 and \$121,856 in FY25.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB:	64	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services
REVIEWED BY:	Ann Linneman	DATE:	1-31-2023
		PHONE:	(402) 471-4180
COMMENTS: The Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact to the department appears reasonable.			

**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 1-30-2023

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>	\$151,003		\$144,875	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$151,003	\$0	\$144,875	\$0

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

**Explanation of Estimate:**

LB 64 amends Nebraska §28.713.01 to add duties to the Department of Health and Human Services (DHHS) when a court or agency substantiated case of child abuse or neglect occurs at a licensed childcare facility and the perpetrator is added to the Central Registry of Child Protection Cases.

Parents, guardians, or custodians of all children who were receiving care at the licensed childcare facility at time the incident occurred shall be notified of an alleged perpetrator’s entry into the Registry. The person holding such license shall provide a list of names and addresses of all parents, guardians, or custodians of all children to DHHS. LB 64 specifies that notice shall be given by mail, within ten business days of the entry, and provide the date such incident occurred but shall not identify the type of abuse or neglect, the victim, or the perpetrator.

The Division of Public Health (PH) would be impacted by LB 64. The Child Protection Unit will be responsible for notifying the Child Care Licensing Unit upon receipt of notification that LB 64 applies to a case. The Child Care Licensing Unit will be responsible for obtaining the required contact information from the license holder and provide the list to the Child Protection Unit. Meeting the specified deadline would not be guaranteed due to external factors such as the license holders response time, mail delivery, etc. The existing DHHS Program Manager II and three Child Care Licensing Supervisors will provide administrative oversight when such incidents occur and may require **one additional hour** of their time. PH will not need additional staff to implement LB 64.

The Division of Children and Family Services (CFS) would be impacted by LB 64. Additional staff time would be needed to obtain and load information into the Nebraska Family Online Client User System (N-FOCUS) for each child identified. With the size of some facilities, there could be upwards of one hundred families that would require notification related to a single incident. CFS does not currently have a process for notifying parents of children who were not identified as a victim on the report of child abuse or neglect. This would require the development of a new form, updates to policies and procedures, and updates to N-FOCUS. Updates to N-FOCUS typically take 12-18 months from the time they are submitted.

Cost for N-FOCUS updates would include:

- Business Analysts (BA) Team: 52 hours at \$80 per hour = \$4,160
- General Solutions (GEN) Team: 248 hours at \$100 per hour = \$24,800
- Batch Team: 170 hours at \$100 per hour = \$17,000
- Total: 470 hours / Total Cost: **\$45,960 in the first fiscal year**

In calendar year 2022, there were 15 agency-substantiated abuse and/or neglect cases against childcare licensees and 12 pending court cases. Based upon this number, it is estimated that CFS would need **two additional FTEs**, including one Administrative Technician (**\$17.155 per hour**) to load information and send the appropriate notification letters to families. This will also require administrative oversight by one CFS Services Specialist (**\$22.320 per hour**) to manage the notification process. Based upon the [2023 Nebraska Child Care Market Rate Survey](#), Table 8, the total enrollment average across all provider types and geographic areas of respondents was 48. This fiscal note assumes that all written notifications are to be made regarding 15 licensees, with an average of 45 contacts, and using uncertified first-class mail. The associated mailing costs would be as follows:

- 15 licensees x 45 contacts = 675 letters per year @ \$.60 postage each = \$405

- Should it be required that notification must be by certified mail, then in addition to the postage fee above, the cost would be:
  - \$4.15 certified mail fee + return receipt cost of \$3.35 = \$7.50 @ 675 letters per year = \$5,062
- This combined would be **\$5,467 per year** for the 675 letters.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2023-2024	2024-2025
	23-24	24-25	EXPENDITURES	EXPENDITURES
K01013 - Administrative Technician	.75	1	\$26,762	\$37,467
C72312 – Child and Family Services Specialist	.75	1	\$34,819	\$48,747

Benefits.....			\$21,553	\$30,175
Operating.....			\$67,869	\$28,486
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$151,003</b>	<b>\$144,875</b>