

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$54,510		\$72,603	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$54,510		\$72,603	

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

This bill changes provisions relating to the complaint tracking system and disciplinary action under the Child Care Licensing Act. The bill requires the complaint tracking system to identify licensing violations that are self-reported and licensing violations discovered as a result of a complaint. The bill also requires that when the Department of Health and Human Services (DHHS) imposes disciplinary action due to licensing violations, 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 to DHHS who must provide written notice to all such parties including the reasons supporting the disciplinary action.

DHHS indicates that in 2022 there were 49 disciplinary actions taken against childcare licensees. 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 2,250 written notifications (50 disciplinary actions x 45 enrollee recipients) delivered by certified mail at a cost of \$18,225 for a full year and \$13,669 for three quarters of year. DHHS estimates needing an additional FTE at the Administration Specialist level starting in October 2023 to perform the additional work requirements of the bill. The cost of salary, benefits, and a new computer total to \$40,841 for three quarters of FY24 and salary and benefits of \$54,378 in FY25. Costs of system modifications would be absorbed by DHHS. The total cost, assuming a start date of October 1, 2023, is \$54,510 in FY24 and \$72,603 in FY25.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	65	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>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$64,748		\$83,358	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$64,748	\$0	\$83,358	\$0

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

Explanation of Estimate:

LB 65 amends Nebraska §71-1918 and 71-1920 to add duties to the Department of Health and Human Services (DHHS) when a complaint is received and when disciplinary action is taken against a licensed childcare provider.

LB 65 requires DHHS to modify the reporting of the Complaint Tracking System that is currently within the Licensing software system. DHHS is to designate whether a childcare provider license violation was the result of a self-report or discovered during a complaint investigation on all relevant license reports.

Modification of reporting outputs will require Information Technology (IT) services to design and implement the changes to the current LIS system. It is estimated that 80 hours of dedicated time would be needed by an IT Business Systems Analyst (\$23.982 per hour); 20 hours for a DHHS Program Manager II (\$29.244 per hour); and 20 hours for a Licensure Support staff member (Health Licensing Coordinator at \$19.239 per hour). These costs will be absorbed by the department.

LB 65 also requires that when DHHS brings forth any disciplinary action against a licensed childcare provider, the licensee shall provide a list of names and addresses of all parents, guardians, or custodians of all children currently receiving care under that license to DHHS. LB 65 requires DHHS to provide written notice to all those listed within ten days of such action and shall include reasons supporting the action.

In calendar year 2022, there were 49 disciplinary actions taken against childcare licensees. Based upon this number, it is estimated that 1.0 FTE Administrative Specialist (\$18.443 per hour) will be required to handle the additional workload to coordinate receipt of contact lists and to make notifications. 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 50 licensees, with an average of 45 contacts, and using uncertified first-class mail. The associated mailing costs would be as follows:

50 licensees x 45 contacts = 2,250 letters per year @ \$.60 postage each = \$1,350

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 @ 2,250 letters per year = \$16,875

This combined would be **\$18,225 per year** for the 2,250 letters.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2023-2024	2024-2025
	23-24	24-25	EXPENDITURES	EXPENDITURES
K01014 – Administrative Specialist (\$18.443)	.75	1	\$28,771	\$40,280
Benefits.....			\$10,070	\$14,098
Operating.....			\$25,907	\$28,980
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$64,748	\$83,358