

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised for the 2026 session

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	SEE BELOW	0	0	0	SEE BELOW
FY2026-2027	SEE BELOW	0	0	0	SEE BELOW
FY2027-2028	SEE BELOW	0	0	0	SEE BELOW
FY2028-2029	SEE BELOW	0	0	0	SEE BELOW
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

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

This bill requires that Nebraska file a state plan amendment for the Child Care Subsidy program to pay providers based on a child's enrollment or authorized hours rather than the child's attendance. The fiscal note for LB 946 (2024) notes that new Child Care Development Fund (CCDF) rules issued by the Administration of Children and Families will require states to pay providers based on enrollment rather than attendance. The agency, the Department of Health and Human Services, notes that they have received a temporary two-year extension to implement these provisions therefore Nebraska will be subject to the new rule effective August 2026.

This newly required policy will have increased costs as providers will benefit from increased claimable hours under Nebraska's Child Care Subsidy Program. Current policy permits claiming of up to 5 absent days. DHHS utilizes current Child Care households count of 9,000 figured by enrollment status of either part-time (<20h/week) or full-time ($\geq 21h/week$) to estimate the cost of this policy. Using actual expenditures in Federal Fiscal Year (FFY) 2024, the basis of the Child Care Development Grant, the agency approximates that implementation of this policy would have resulted in an additional need of \$17,762,085. In FFY24, DHHS expended a total of \$123,546,799 on Child Care Subsidy therefore the increase would be 14.4%. There is no basis to disagree with the agency estimate which is prorated for 11 months of FY27 due to the start date of August 2026.

Additionally, childcare is a Title IV-E eligible expense for children who receive foster care, adoption, and guardianship subsidies. Actual expenditures on Child Care for this population amount to \$260,635 therefore a 10% increase would amount to \$26,000. The agency indicates ability to absorb the increased cost of this population.

DHHS indicates operational expenses associated with this policy would be technical in nature and would not necessitate additional staff. The total cost to implement system changes to NFOCUS amount to \$46,200 in FY26 to comply with the start date of August 2026. There is no reason to disagree with the estimate of administrative cost.