

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
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.

LB 962 adopts the Youth Reentry and Transitional Support Act. It requires the Nebraska Department of Health and Human Services (DHHS), working with juvenile services, probation, and vocational rehabilitation, to establish a coordinated reentry program for youth. The bill requires early transition planning, an assigned aftercare coordinator, and up to 12 months of support after a youth exits placement or supervision, including connections to behavioral health, Medicaid, education, and employment services.

The bill also requires rulemaking and annual reporting to legislative committees. The bill states agencies must implement these requirements using existing duties and appropriations, and does not authorize a new General Fund appropriation.

The Supreme Court further states that all implementation costs would be absorbed; however, absorbing costs could require reductions in other juvenile services or supervision to reallocate resources. As context, the Supreme Court notes that on February 12, 2026, there were 746 youths on probation in out-of-home placement.

The Supreme Court also states that, under *State of Nebraska v. Charles J. Simons*, when a term of probation ends, probation supervision and services stop. As a result, the Supreme Court indicates certain requirements may be difficult to implement if services are expected to continue beyond the probation term (e.g., if probation ends before the full service period, another entity would need to provide the remaining services, which may affect continuity).

DHHS states there may be an impact to the Division of Children and Family Services (CFS) due to the aftercare coordinator staffing requirement (one coordinator per fifteen youth) for youth who age out of custody or whose cases close before completing the 12-month aftercare period. DHHS reports CFS-PS currently has approximately 126 HHS or HHS/Office of Juvenile Services wards in the facilities referenced in the bill and an additional 98 HHS-OJS wards (224 total). DHHS states that if CFS-PS were required to provide aftercare services for all 224 youth at the 1:15 ratio, it would require approximately 15 Children and Family Service Specialists (CFSS). DHHS states it does not have excess CFSS capacity to absorb these duties; therefore, approximately 15 additional CFSS FTEs would be needed. DHHS notes absorbing these functions without additional staffing could divert resources from core child services.

DHHS also states CFS would require support from the Information Systems and Technology (IS&T) team to track outcome reporting and complete annual reporting in NFOCUS and My Avatar, at an estimated cost of \$162,000 (50% General Funds and 50% federal funds).

The Nebraska Department of Education (NDE) states LB 962 requires the Division of Rehabilitation Services (Nebraska VR) to provide vocational rehabilitation and employment services under the act using existing federal Workforce Innovation and Opportunity Act funding. NDE anticipates increased referrals will create a need for additional staff; without sufficient staffing, services for other Nebraska VR clients could be delayed. NDE estimates the fiscal impact at \$344,875 in FY 2026-27 and \$348,887 in FY 2027-28.

It is important to note that both agencies state the bill does not provide funding and requires implementation to be absorbed within existing staff and resources; as a result, this could limit their ability to implement LB962 as required and/or divert resources from other obligations and core services.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 962 AM: AGENCY/POLT. SUB: Department of Health and Human Services

REVIEWED BY: Jennifer Alcazar DATE: 2/18/2026 PHONE: (402) 471-4169

COMMENTS: No basis to dispute the Department of Health and Human Services' estimate fiscal impact as a result of LB 962.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 962 AM: AGENCY/POLT. SUB: Nebraska Department of Labor

REVIEWED BY: Jennifer Alcazar DATE: 2/17/2026 PHONE: (402) 471-4169

COMMENTS: Concur with the Department of Labor's estimate of no fiscal impact as a result of LB 962.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 962 AM: AGENCY/POLT. SUB: Supreme Court

REVIEWED BY: Jennifer Alcazar DATE: 2/17/2026 PHONE: (402) 471-4169

COMMENTS: No basis to disagree with the Supreme Court's estimate of minimal fiscal impact as a result of LB 962.

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- 17-2026

Phone: (5) 471-6719

	<u>FY 2026-2027</u>		<u>FY 2027-2028</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$933,643		\$895,276	
CASH FUNDS				
FEDERAL FUNDS	\$520,240		\$461,202	
OTHER FUNDS				
TOTAL FUNDS	\$1,453,883	\$0	\$1,356,478	\$0

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

Explanation of Estimate:

LB962 states the Department of Health and Human Services (DHHS), in coordination with the Office of Juvenile Services (OJS), the Office of Probation Administration, and the Division of Rehabilitation Services of the State Department of Education, shall establish the Youth Reentry and Transitional Support Program. This bill does not provide funding and mandates that implementation be absorbed by existing staff and resources.

LB962 may have an impact to the Division of Children and Family Services (CFS). This bill requires the assignment of one aftercare coordinator per fifteen youth that age out of custody or whose CFS cases close prior to completion of the twelve-month aftercare period. Based on the definition of youth in the bill, CFS-PS currently has approximately 126 HHS or HHS/OJS wards placed in the facilities mentioned in this bill. There are an additional 98 youth listed as HHS-OJS wards. Although it is not clarified in the bill who will provide aftercare services, if CFS-PS were required to provide aftercare services for all 224 of these youth at the ratio of 1 staff to 15 youth, this would require approximately 15 CFSS. The Department does not have excess Children and Family Service Specialists (CFSS) to absorb these new duties, thus an additional 15 CFSS FTEs would be needed to perform the functions of the aftercare coordinators. Absorbing these functions without additional staffing could divert resources from core child services.

CFS will need assistance from the Information Systems and Technology (IS&T) team to implement a way to track outcome reporting and the information for the annual reporting in both NFOCUS and MyAvatar. This will cost an estimated \$162,000 and is funded 50% general funds and 50% federal funds.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2026-2027	2027-2028
	26-27	27-28	EXPENDITURES	EXPENDITURES
C72312 – Child and Family Services Specialist (CFSS)	15.0	15.0	798,938	838,886

Benefits.....		279,628	293,610
Operating.....		375,317	223,982
Travel.....			
Capital Outlay.....			
Aid.....			
Capital Improvements.....			
TOTAL.....		\$1,453,883	\$1,356,478

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

2026

LB⁽¹⁾ 962

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Nebraska Department of Labor

Prepared by: Rea Easton
⁽³⁾

Date Prepared: 01/21/2026
⁽⁴⁾

Phone: 402-416-6809
⁽⁵⁾

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</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: There is no fiscal impact to the Nebraska Department of Labor for LB 962.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27 EXPENDITURES</u>	<u>2027-28 EXPENDITURES</u>
	<u>26-27</u>	<u>27-28</u>		
Benefits.....	_____	_____	_____	_____
... Operating.....	_____	_____	_____	_____
... Travel.....	_____	_____	_____	_____
. Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
. Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2026

LB⁽¹⁾ 962

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe

Date Prepared: 2/15/2026
⁽⁴⁾

Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2026-27</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:

LB962, or the Youth Reentry and Transitional Support Act, as introduced, is not estimated to have a significant financial impact based on:

1. The Department of Health and Human Services (DHHS) administering the program.
2. Current Office of Probation Administration practice which integrates transition planning within supervision.
3. The requirement that all costs are to be absorbed. It should be noted that absorbing all expenses could potentially require reductions in other juvenile services or supervision to free up resources to implement LB962. To provide some data, on 2/12/26 there were 746 youths on probation in an out-of-home placement.

The Supreme Court case of *State of Nebraska v. Charles J. Simons* stated that when a term of probation has ended, all Probation supervision and services stop. Based on that decision, several provisions of LB962 may be difficult to implement. For example, Section 3(1)(d) states 12 months of aftercare and coaching following release or discharge are to be provided. If Probation was required, in collaboration with DHHS, to provide services during that period and the term of probation ended after 8 months, Probation services would stop and another entity would have to provide services during the remaining four months. This would also be counter to Section 3(1)(d) concerning continuity of services.

Note: this fiscal note may be revised based on further information or clarification of LB962 requirements.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
...	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
.	_____	_____	_____	_____

**Capital
outlay**.....
Aid.....
.
**Capital
improvements**.....
TOTAL.....

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____