

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 733

Introduced by Riepe, 12.

Read first time January 07, 2026

Committee: Health and Human Services

1 A BILL FOR AN ACT relating to the Department of Health and Human
2 Services; to amend sections 81-3113, 81-3116, 83-1201, 83-1204, and
3 83-1206, Reissue Revised Statutes of Nebraska, section 43-4413,
4 Revised Statutes Cumulative Supplement, 2024, and sections 68-1530
5 and 81-1316, Revised Statutes Supplement, 2025; to change the name
6 of the Division of Developmental Disabilities of the Department of
7 Health and Human Services to the Division of Disability and Aging of
8 the Department of Health and Human Services; to eliminate obsolete
9 provisions; to repeal the original sections; and to outright repeal
10 sections 81-3133.02, 81-3134, 83-1216.02, 83-1227, and 83-1228,
11 Reissue Revised Statutes of Nebraska.
12 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 43-4413, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 43-4413 (1) There is hereby established a child welfare practice
4 model work group. The work group may include, but is not limited to:

5 (a) The Director of Behavioral Health of the Division of Behavioral
6 Health or the director's designee;

7 (b) The Director of Children and Family Services of the Division of
8 Children and Family Services or the director's designee;

9 (c) The Director of Disability and Aging Developmental Disabilities
10 of the Division of Disability and Aging Developmental Disabilities or the
11 director's designee;

12 (d) The Director of Medicaid and Long-Term Care of the Division of
13 Medicaid and Long-Term Care or the director's designee;

14 (e) The Director of Public Health of the Division of Public Health
15 or the director's designee;

16 (f) The Commissioner of Education or the commissioner's designee;

17 (g) The State Court Administrator;

18 (h) A representative of the state judicial branch to be appointed by
19 the Chief Justice; and

20 (i) Representatives from each federally recognized Indian tribe
21 within the State of Nebraska, appointed by each tribe's Tribal Council or
22 Executive Committee.

23 (2) The work group shall develop a practice and finance model for
24 child welfare system transformation in Nebraska, with consultation from
25 key stakeholders, judges from separate juvenile courts and judges of
26 county courts sitting as juvenile courts, private child welfare
27 providers, individuals with lived experience in the child welfare system,
28 the Nebraska Children's Commission, the Inspector General of Nebraska
29 Child Welfare, the Foster Care Review Office, child advocacy centers, law
30 enforcement, and county attorneys. The practice and finance model shall
31 include, but not be limited to:

1 (a) Development of a statewide mission and vision for the child
2 welfare system in Nebraska;

3 (b) Development of values and practice priorities for the child
4 welfare system in Nebraska;

5 (c) Development of statewide program goals and a practice and
6 finance model for child welfare system case management and service
7 delivery;

8 (d) Development of engagement strategies to support community
9 involvement in child welfare system transformation;

10 (e) Development of strategies that strengthen relationships across
11 the court system, probation, executive branch agencies, the State
12 Department of Education, and community partners;

13 (f) Development of strategies that support integration across
14 agencies;

15 (g) Development of accountabilities across the entire child welfare
16 system;

17 (h) Evaluation of the state's Title IV-E claiming practices and
18 identification of appropriate steps to optimize federal reimbursement for
19 child welfare system expenditures;

20 (i) Opportunities and financial mechanisms for providers to pilot
21 innovative solutions to meet program goals; and

22 (j) Development of a strategy for data collection and outcome
23 monitoring.

24 (3) The work group shall provide monthly updates to the strategic
25 leadership group.

26 **Sec. 2.** Section 68-1530, Revised Statutes Supplement, 2025, is
27 amended to read:

28 68-1530 (1) The Department of Health and Human Services shall apply
29 for a three-year medicaid waiver under section 1915(c) of the federal
30 Social Security Act to administer a family support program which is a
31 home and community-based services program as provided in this section.

1 (2)(a) The Advisory Committee on Developmental Disabilities created
2 in section 83-1212.01 shall assist in the development and guide the
3 implementation of the family support program. The family support program
4 shall be administered by the Division of Disability and Aging
5 ~~Developmental Disabilities~~ of the Department of Health and Human
6 Services.

7 (b) It is the intent of the Legislature that any funds distributed
8 to Nebraska pursuant to section 9817 of the federal American Rescue Plan
9 Act of 2021, Public Law 117-2, be used to eliminate unmet needs relating
10 to home and community-based services for persons with developmental
11 disabilities as much as is possible.

12 (c) If funds are distributed to Nebraska pursuant to section 9817 of
13 the federal American Rescue Plan Act of 2021, it is the intent of the
14 Legislature that such funds distributed to Nebraska should at least
15 partially fund the family support program if doing so is in accordance
16 with federal law, rules, regulations, or guidance.

17 (3) The family support program shall:

18 (a) Offer an annual capped budget for long-term services and
19 supports of ten thousand dollars for each eligible applicant;

20 (b) Offer a pathway for medicaid eligibility for disabled children
21 by disregarding parental income and establishing eligibility based on a
22 child's income and assets;

23 (c) Allow a family to self-direct services, including contracting
24 for services and supports approved by the division; and

25 (d) Not exceed eight hundred fifty participants.

26 (4) The department, in consultation with the advisory committee,
27 shall adopt and promulgate rules and regulations for the implementation
28 of the family support program to be set at an intermediate care facility
29 institutional level of care to support children with intellectual and
30 developmental disabilities and their families. Such rules and regulations
31 shall include, but not be limited to:

1 (a) Criteria for and types of long-term services and supports to be
2 provided by the family support program;

3 (b) The method, as provided in section 68-1532, for allocating
4 resources to family units participating in the family support program;

5 (c) Eligibility determination, including, but not limited to, a
6 child's maximum income and assets;

7 (d) The enrollment process;

8 (e) Limits on benefits; and

9 (f) Processes to establish quality assurance, including, but not
10 limited to, measures of family satisfaction.

11 (5) The division shall administer the family support program within
12 the limits of the appropriations by the Legislature for such program.

13 (6) Until December 31, 2027, the division shall submit an annual
14 report electronically to the Legislature on the family support program.
15 The report shall include:

16 (a) The distribution of available funds, the total number of
17 children and families served, and the status of the waiting list for the
18 comprehensive waiver and other applicable waivers;

19 (b) A summary of any grievances filed by family units pertaining to
20 the family support program, including any appeals and a description of
21 how such grievances were resolved;

22 (c) The number and demographics of children with disabilities and
23 their families who applied under the family support program but who were
24 not found eligible and the reason such children and their families were
25 not found eligible;

26 (d) Quality assurance activities and the results of annual measures
27 of family satisfaction; and

28 (e) Recommendations to innovate the family support program, improve
29 current programming, and maximize limited funding, including, but not
30 limited to, the potential utilization of other medicaid pathways or
31 medicaid waivers that could help increase access to medicaid and long-

1 term services and supports for children with disabilities or special
2 health care needs.

3 **Sec. 3.** Section 81-1316, Revised Statutes Supplement, 2025, is
4 amended to read:

5 81-1316 (1) All agencies and personnel of state government shall be
6 covered by sections 81-1301 to 81-1319 and shall be considered subject to
7 the State Personnel System, except the following:

- 8 (a) All personnel of the office of the Governor;
- 9 (b) All personnel of the office of the Lieutenant Governor;
- 10 (c) All personnel of the office of the Secretary of State;
- 11 (d) All personnel of the office of the State Treasurer;
- 12 (e) All personnel of the office of the Attorney General;
- 13 (f) All personnel of the office of the Auditor of Public Accounts;
- 14 (g) All personnel of the Legislature;
- 15 (h) All personnel of the court systems;
- 16 (i) All personnel of the Board of Educational Lands and Funds;
- 17 (j) All personnel of the Public Service Commission;
- 18 (k) All personnel of the Nebraska Brand Committee;
- 19 (l) All personnel of the Commission of Industrial Relations;
- 20 (m) All personnel of the State Department of Education;
- 21 (n) All personnel of the Nebraska state colleges and the Board of
22 Trustees of the Nebraska State Colleges;
- 23 (o) All personnel of the University of Nebraska;
- 24 (p) All personnel of the Coordinating Commission for Postsecondary
25 Education;
- 26 (q) All personnel of the Governor's Policy Research Office;
- 27 (r) All personnel of the Commission on Public Advocacy;
- 28 (s) All agency heads;
- 29 (t)(i) The Director of Behavioral Health of the Division of
30 Behavioral Health; (ii) the Director of Children and Family Services of
31 the Division of Children and Family Services; (iii) the Director of

1 ~~Disability and Aging Developmental Disabilities~~ of the Division of
2 ~~Disability and Aging Developmental Disabilities~~; (iv) the Director of
3 Medicaid and Long-Term Care of the Division of Medicaid and Long-Term
4 Care; and (v) the Director of Public Health of the Division of Public
5 Health;

6 (u) The chief medical officer established under section 81-3115, the
7 Administrator of the Office of Juvenile Services, and the chief executive
8 officers of the Beatrice State Developmental Center, Lincoln Regional
9 Center, Norfolk Regional Center, Hastings Regional Center, Central
10 Nebraska Veterans' Home, Norfolk Veterans' Home, Eastern Nebraska
11 Veterans' Home, Western Nebraska Veterans' Home, and each youth
12 rehabilitation and treatment center;

13 (v) The chief executive officers of all facilities operated by the
14 Department of Correctional Services and the medical director for the
15 department appointed pursuant to section 83-4,156;

16 (w) All personnel employed as pharmacists, physicians,
17 psychiatrists, or psychologists by the Department of Correctional
18 Services;

19 (x) All personnel employed as pharmacists, physicians,
20 psychiatrists, psychologists, service area administrators, or facility
21 operating officers of the Department of Health and Human Services or the
22 Department of Veterans' Affairs;

23 (y) Deputies and examiners of the Department of Banking and Finance
24 and the Department of Insurance as set forth in sections 8-105 and
25 44-119, except for those deputies and examiners who remain in the State
26 Personnel System;

27 (z) All personnel of the Tax Equalization and Review Commission;

28 (aa) The associate director of the Conservation Division of the
29 Nebraska State Historical Society and all personnel employed as a
30 Conservator I or Conservator II of the Conservation Division of the
31 Nebraska State Historical Society;

1 (bb) Assistant directors and deputies of the Nebraska Public
2 Employees Retirement Systems; and

3 (cc) The Chief Water Officer, assistant directors, and deputies of
4 the Department of Water, Energy, and Environment.

5 (2) At each agency head's discretion, up to the following number of
6 additional positions may be exempted from the State Personnel System,
7 based on the following agency size categories:

8	Number of Agency	Number of Noncovered
9	Employees	Positions
10	less than 25	0
11	25 to 100	1
12	101 to 250	2
13	251 to 500	3
14	501 to 1000	4
15	1001 to 2000	5
16	2001 to 3000	8
17	3001 to 4000	11
18	4001 to 5000	40
19	over 5000	50

20 The purpose of having such noncovered positions shall be to allow
21 agency heads the opportunity to recruit, hire, and supervise critical,
22 confidential, or policymaking personnel without restrictions from
23 selection procedures, compensation rules, career protections, and
24 grievance privileges. Persons holding the noncovered positions shall
25 serve at the pleasure of the agency head and shall be paid salaries set
26 by the agency head. An agency with over five thousand employees shall
27 provide notice in writing to the Health and Human Services Committee of
28 the Legislature when forty noncovered positions have been filled by the
29 agency head pursuant to this subsection.

30 (3) No changes to this section or to the number of noncovered
31 positions within an agency shall affect the status of personnel employed

1 on the date the changes become operative without their prior written
2 agreement. A state employee's career protections or coverage by personnel
3 rules and regulations shall not be revoked by redesignation of the
4 employee's position as a noncovered position without the prior written
5 agreement of such employee.

6 **Sec. 4.** Section 81-3113, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 81-3113 The Department of Health and Human Services is created. The
9 department shall have five divisions to be known as (1) the Division of
10 Behavioral Health, (2) the Division of Children and Family Services, (3)
11 the Division of Disability and Aging ~~Developmental Disabilities~~, (4) the
12 Division of Medicaid and Long-Term Care, and (5) the Division of Public
13 Health.

14 **Sec. 5.** Section 81-3116, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 81-3116 The responsibilities of the divisions created in section
17 81-3113 include, but are not limited to, the following:

18 (1) The Division of Behavioral Health shall administer (a) the state
19 hospitals for the mentally ill designated in section 83-305 and (b)
20 publicly funded community-based behavioral health services;

21 (2) The Division of Children and Family Services shall administer
22 (a) protection and safety programs and services, including child welfare
23 programs and services and the Office of Juvenile Services, (b) economic
24 and family support programs and services, and (c) service areas as may be
25 designated by the chief executive officer or by the Director of Children
26 and Family Services under authority of the chief executive officer,
27 except that on and after September 1, 2012, the western, central, and
28 northern service areas shall be aligned to be coterminous with the
29 district court judicial districts described in section 24-301.02;

30 (3) The Division of Disability and Aging ~~Developmental Disabilities~~
31 shall administer (a) the Beatrice State Developmental Center and (b)

1 publicly funded community-based developmental disabilities services;

2 (4) The Division of Medicaid and Long-Term Care shall administer (a)
3 the medical assistance program also known as medicaid, (b) aging
4 services, and (c) other related programs and services; and

5 (5) The Division of Public Health shall administer (a) preventive
6 and community health programs and services, (b) the regulation and
7 licensure of health-related professions and occupations, and (c) the
8 regulation and licensure of health care facilities and health care
9 services.

10 **Sec. 6.** Section 83-1201, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 83-1201 Sections 83-1201 to 83-1226 ~~83-1228~~ shall be known and may
13 be cited as the Developmental Disabilities Services Act.

14 **Sec. 7.** Section 83-1204, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 83-1204 Department shall mean the Division of Disability and Aging
17 ~~Developmental Disabilities~~ of the Department of Health and Human
18 Services.

19 **Sec. 8.** Section 83-1206, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 83-1206 Director shall mean the Director of Disability and Aging
22 ~~Developmental Disabilities~~ of the Division of Disability and Aging
23 ~~Developmental Disabilities~~.

24 **Sec. 9.** Original sections 81-3113, 81-3116, 83-1201, 83-1204, and
25 83-1206, Reissue Revised Statutes of Nebraska, section 43-4413, Revised
26 Statutes Cumulative Supplement, 2024, and sections 68-1530 and 81-1316,
27 Revised Statutes Supplement, 2025, are repealed.

28 **Sec. 10.** The following sections are outright repealed: Sections
29 81-3133.02, 81-3134, 83-1216.02, 83-1227, and 83-1228, Reissue Revised
30 Statutes of Nebraska.