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PREPARED BY: Liz Hruska
DATE PREPARED: February 01, 2012
PHONE: 471-0053

LB 765

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	65,721		87,628	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	65,721		87,628	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill requires the Department of Health and Human Services to conduct a cost-benefit analysis of any contract with direct providers of medical, behavioral or developmental health services, child care or child welfare services with a value of more than \$25 million.

The department currently has nine contracts that fit the criteria for a cost-benefit analysis. A fiscal project analyst would be needed to conduct the required analysis for this volume of activity. The cost would be \$65,721 in FY 13 and \$87,628 in FY 14.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Elton Larson	DATE	1/27/12	PHONE	471-2526
COMMENTS					
ADMINISTRATIVE SERVICES – MATERIEL: Agency analysis appears reasonable.					
DEPARTMENT OF HEALTH AND HUMAN SERVICES: Fiscal impact depends on the number, as well as frequency of contracts that exceed the \$25 million threshold established in the bill.					

2012 Legislative Bill Proposal Fiscal Note

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LEGISLATIVE FISCAL

Bill #: LB765

State Agency: Administrative Services - Materiel

Prepared by: Brenda Pape

Date Prepared: 1/9/2012

Approved by:

Phone: 402-471-0970

Estimate of Fiscal Impact – State Agencies

	FY 2012-13		FY 2013-14	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
Total Funds	0	0	0	0

Explanation of Estimate:

LB765 will require the Director of Health and Human Services to conduct a cost benefit analysis of any contract with direct providers to individuals of medical, behavioral, or developmental health services, child care or child welfare services for contracts in excess of \$25,000,000.

Due to the requirements of statutes 73-301 through 73-306 for any personal services contracts, this cost benefit analysis will be required to be submitted to the Director of Administrative Services for review and approval/disapproval if the personal service will displace any employees of the agency.

LB765 also requires Health and Human Services to competitively bid any contracts with direct providers of medical, behavioral, or developmental health services, child care, or child welfare services to an individual if the contract value is in excess of \$25,000,000.

Health and Human Services currently has 9 contracts in excess of \$25,000,000. The proposed bill would not require any additional resources or time from the Department of Administrative Services; therefore there will be no fiscal impact on the Department of Administrative Services under this proposed bill.

Major Objects of Expenditure

Personal Services:

Position Title:	Number of Positions		2012-13		2013-14	
	12-13	13-14	Expenditures		Expenditures	
Benefits						
Operating						
Travel						
Capital Outlay						
Aid						
Capital Improvements						
TOTAL						

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LEGISLATIVE FISCAL

LB⁽¹⁾ 0765

FISCAL NOTE

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Willard Bouwens

Date Prepared:(4) January 13, 2012

Phone: (5) 471-8072

	<u>FY 2012-2013</u>		<u>FY 2013-2014</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$65,721		\$87,628	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$65,721		\$87,628	

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

Explanation of Estimate:

LB 765 would require the addition of one DHHS Fiscal Project Analyst to meet with the program contracting the services and perform the cost benefit analysis on contracts over twenty-five million dollars. The fiscal impact to DHHS, assuming LB 765 goes into effect by October 1, 2012, would be \$65,721 in FY2013 and \$87,628 in FY2014.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2012-2013</u>	<u>2013-2014</u>
	<u>12-13</u>	<u>13-14</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
K19850 DHHS Fiscal Project Analyst	0.75	1.0	\$34,265	\$45,687

Benefits.....	\$13,705	\$18,275
Operating.....	\$17,749	\$23,666
Travel.....		
Capital Outlay.....		
Aid.....		
Capital Improvements.....		
TOTAL.....	\$65,720	\$87,628