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

LB 1150

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	4,366,888		7,760,064	
CASH FUNDS				
FEDERAL FUNDS	1,749,481		2,597,775	
OTHER FUNDS				
TOTAL FUNDS	6,116,369		10,357,839	

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

This bill establishes the Young Adult Voluntary Foster Care Services Act. Former state wards between the ages of 19 and 21 could voluntarily request continued services from the state. The services would include Medicaid coverage, placement in a foster home, postsecondary and vocational educational assistance and case management. The act shall be implemented in accordance with the requirements necessary to obtain federal Title IV-E funding. The department is required to submit a Medicaid plan amendment by October 1, 2012 to allow for coverage of youth covered by the act. The operative date of the act is January 1, 2013.

It is estimated that approximately 585 former wards would voluntarily seek assistance. Medical costs would be approximately \$1,462,500 (\$643,792 GF and \$818,708 FF) for a half year in FY 13. The costs would be the same in FY 14. Beginning January 1, 2014, the youth will qualify for Medicaid coverage under the Affordable Care Act.

The federal Fostering Connections Act allows states to continue Title IV-E funding for youth up to age 21 who have aged out of the foster care system. For the purposes of this fiscal note, it is assumed that the same ratio of state wards who are eligible for Title IV-E funding would apply to those seeking voluntary services under the provisions of this bill. Service costs would be \$2,925,000 (\$2,340,000 GF and \$585,000 FF) in FY 13 and \$5,850,000 (\$4,680,000 GF and \$1,170,000 FF) in FY 14. Approximately 22 subsidized adoptions and guardianships would be eligible for continued payments. The costs would be \$52,563 (\$42,050 GF and \$10,513 FF) in FY 13 and \$105,125 (\$84,100 GF and \$21,025 FF) in FY 14.

Thirty-seven additional case managers and 6 supervisors would be needed. The costs would be \$1,676,306 (\$1,341,045 GF and \$335,261 FF) in FY 13 and \$2,940,214 (\$2,352,171 GF and \$588,043 FF) in FY 14.

The voluntary cases would be processed through the court system. At this time, it is assumed the additional cases could be handled within current resources.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Elton Larson	2/1/12	PHONE 471-2526
COMMENTS			
SUPREME COURT – Significant workload increase due to increased number of wards would be expected.			
HHS – Agency analysis appears reasonable.			

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LEGISLATIVE FISCAL

2012

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LB⁽¹⁾ 1150 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 1/30/12 Phone: ⁽⁵⁾ 1-4138

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

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

LB 1150 would increase court workload related to required hearings depending on the number of young adults that choose to sign a voluntary foster care agreement. It is estimated that additional court and judicial resources would not be needed immediately; however, they may become necessary in the future if the number of voluntary agreements increases significantly.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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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) 1-30-12

Phone: (5) 471-8072

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$4,962,801		\$9,595,682	
CASH FUNDS				
FEDERAL FUNDS	\$1,159,034		\$2,235,589	
OTHER FUNDS				
TOTAL FUNDS	\$6,121,835		\$11,831,271	

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

Explanation of Estimate:

LB 1150 would have a potentially large fiscal impact on the Department of Health and Human Services (DHHS) as it would extend benefits for an additional two years to approximately 780 wards who attain the age of nineteen (19) each year (using a count of wards who attained the age of 19 sometime during SFY11). Given that there are already two groups of approximately 780 wards, those former wards between 19 and 20, and the former wards age 20 to 21, who could apply for benefits there is already a large pool of potential applicants. For purposes of this fiscal note it is assumed that 50% of the 19 to 20 age group (390) would seek benefits and for the 20 to 21 age group 50% of the prior group (390 x 0.5 or 195 wards) for a total of 585 wards would seek to obtain benefits. Using the group of 780 wards from SFY11, the total expenditures generated by these wards was \$7.8 million dollars for services and \$3.9 million dollars for medical costs. Applying these costs to the group of 585 wards, the estimated expenditure for services in SFY13 (six months) would be \$2,933,775 (assumes that all expenditures would be GF, but might be offset somewhat in cases of Title IV-E eligibility) for services and \$1,459,191 (\$645,546 GF, \$813,645 FF) for medical. a total cost of \$4,392,966 (\$3,579,321 GF, \$813,645 FF). The estimated expenditure for a full year of services and medical (SFY14 and later) under the 50%-50% participation assumption would be \$8,785,932 (\$7,158,642 GF, \$1,627,290 FF).

In order to provide case management services for the estimated 585 wards it will require the addition of thirty-seven (37) CFS Caseworkers and six (6) CFS Supervisors. The estimated cost for SFY13 would be \$1,676,306 (\$1,341,045 GF, \$335,261 FF). The estimated expenditure for a full year (SFY14 and later) would be \$2,940,214 (\$2,352,171 GF, \$588,043 GF).

The provisions of LB 1150 would also extend subsidized guardianships and subsidized adoptions to age twenty-one (21) for wards who were placed in guardianships or adoptions at age sixteen (16) or later. For SFY11 there were 142 children in State subsidized adoptions, 166 children in Title IV-E subsidized adoptions and 134 children in subsidized guardianships who attained age nineteen (19) sometime during SFY11. It is unknown how many of these children were age 16 or older when the placements were made but for purposes of the fiscal note it is assumed that this number could be as high as 5% of each number (i.e. 22 total). Under this assumption the estimated cost for SFY13 for all groups would be \$52,563 (\$42,435 GF, \$10,128 FF). For SFY14 and later this estimated cost would be \$105,125 (\$84,869 GF, \$20,256 FF).

The estimated fiscal impact to the Department of Health and Human Services resulting form LB1150 for SFY13 would be \$6,121,835 (\$4,962,801 GF, \$1,159,034 FF) and \$11,831,932 (\$7,158,642 GF, \$1,627,290 FF).for SFY14.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
CFS Worker		37	\$616,180	\$1,232,360
CFS Supervisor		6	\$126,628	\$253,257

Benefits.....			\$297,123	\$594,247
Operating.....			\$636,375	\$860,350
Travel.....				
Capital Outlay.....				
Aid.....			\$4,445,529	\$8,891,057
Capital Improvements.....				
TOTAL.....			\$6,121,835	\$11,831,271