

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

This bill states the legislative intent to appropriate funds for a web-based, open systems technology data information and management system for child welfare. The Department of Health and Human Services with the Office of the Chief Information Officer are required to develop a strategic plan and schedule to complete the require upgrades in this bill and file federal Advance Planning Documents that are compliant with federal regulations. By December 31, 2013, the department shall develop a request for proposals for the first stages of the upgrade and file the planning documents.

Per the directives in LB 820, the Department of Health and Human Services contracted for a strategic plan for the child welfare information system. The Ummel Group received the contract. The estimated costs range from \$17 million to \$40 million. The Department of Health and Services' fiscal note indicates the costs would be at the higher end of the estimates at \$41 million over the biennium. The costs would be split between general and federal funds.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
<b>LB: 268</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: HHS</b>	
<b>REVIEWED BY: Elton Larson</b>		<b>DATE: 2/4/2013</b>	<b>PHONE: 471-4173</b>
<b>COMMENTS:</b> LB 268 states that it the intent of the Legislature to appropriate \$XXX to upgrade the current N-Focus system. The HHS estimated fiscal impact is consistent with the upper end of the range of the cost estimates associated with the "Modernize, Refresh, and Extend the Current N-Focus Legacy Architecture" option identified by the Ummel Group, a contractor used by the department to satisfy the requirements of LB 1160, Laws 2012. In addition to the estimates identified by the Ummel Group, the department's estimate of fiscal impact includes an additional 2 FTE, as well as an additional \$1.0m for contracted services to meet the LB 268 timeline. All costs associated with the N-Focus upgrade project are included in the HHS FY14 and FY15 estimates. The fiscal impact identified in the DHHS estimate assumes no additional financing is necessary beyond FY 2014-15.			

**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) 1-29-13

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	<b>FY 2013-2014</b>		<b>FY 2014-2015</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$9,701,537		\$9,283,074	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$11,388,761		\$10,897,522	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$21,090,298		\$20,180,596	

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

**Explanation of Estimate:**

A recent study by the Ummel Group indicates that up to \$40 million would be necessary to implement the technology portion of this bill. These costs would be over two years and be \$20 million per year. Because the Request For Proposal has such a short timeframe for preparation, outside assistance would be necessary to meet this requirement at an additional cost of \$1 million. To complete the system testing and Client Acceptance Testing of the upgraded system, Children and Family Services will require one additional Business Analyst for the Economic Assistance process and one additional Business Analyst for the Protection and Safety process to interface with the Information Services Team and perform the necessary testing. As the award of contract is to be completed by 12/31/2013, staff in the first year would be for only six months. The funding mix for this bill is based on the current NFOCUS system and assumes the new system would be SACWIS compliant.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2013-2014	2014-2015
		13-14	14-15	EXPENDITURES	EXPENDITURES
IT Business Analyst		2	2	\$43,580	\$87,160
Benefits.....				\$17,432	\$34,864
Operating.....				\$21,029,286	\$20,058,572
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
<b>TOTAL.....</b>				\$21,090,298	\$20,180,596