

PREPARED BY: Liz Hruska  
 DATE PREPARED: February 04, 2014  
 PHONE: 471-0053

**LB 1088**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2014-15</b>		<b>FY 2015-16</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	857,000		1,714,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>857,000</b>		<b>1,714,000</b>	

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

This bill increases the income eligibility requirements from 130% of federal poverty guidelines to 135% in FY 15 and to 140% in FY 16 for families qualifying for the Child Care Subsidy Program.

Last year the income eligibility was increased in FY 14 from 120% to 125% and in FY 15 from 125% to 130%. In this fiscal note, it is assumed that for each 5% increase in income eligibility, the costs would be the same. The five percent increase in income eligibility is estimated to cost \$857,000 the first year and \$1,714,000 the second year. The federal Child Care Block Grant is a capped amount which is fully utilized. All additional costs for the increased subsidies are from General Funds.

The department projected the costs based on census figures and the current participation rates. This methodology produced a higher cost.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 1088	AM:	AGENCY/POLT. SUB: Health and Human Services (HHS)	
REVIEWED BY: Elton Larson		DATE: 2/5/2014	PHONE: 471-4173
COMMENTS: HHS analysis and estimate of fiscal impact appear reasonable.			

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

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

Prepared by: (3) Steve Shively

Date Prepared:(4) 1-29-14

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	<u>FY 2014-2015</u>		<u>FY 2015-2016</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$3,035,747		\$5,056,211	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$3,035,747		\$5,056,211	

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

**Explanation of Estimate:**

LB1088 would amend section 68-1206, Revised Statutes Supplement 2013, which provides that child care assistance is provided for families with incomes up to one hundred twenty-five percent (125%) of the federal poverty level for FY2013-14 and one hundred thirty percent (130%) of the federal poverty level for FY2014-15. The bill would increase the standard to one hundred thirty-five percent (135%) of the federal level for FY2014-15 and then to one hundred forty percent (140%) of the federal poverty level for FY2015-16 and each fiscal year thereafter.

Due to legislation passed in the prior session, an increase was already provided in the budget for the change in standard from 125% to 130%. Therefore, the increase in participants resulting from the change in the federal poverty level is estimated as a change in the number of participants at the 130% level to the 135% level. It is estimated that there would be 601 new participants per month within the Low Income Sliding Fee (LC) eligibility group if the standard were to be changed. Using the current monthly average of \$420.93 per participant, the estimated fiscal impact for FY2014-15 would be \$3,035,747 GF ( $\$420.93 * 601 * 12$ ).

For FY2015-16 there would be an expected increase of 400 more participants if the poverty level were to be changed from 135% to 140%. This would result in a further increase of \$2,020,464 GF ( $\$420.93 * 400 * 12$ ) and a combined increase of \$5,056,211 GF in FY2015-16.

The estimated fiscal impact to the Department of Health and Human Services would be \$3,035,747 GF for FY2014-15 and \$5,056,211 GF for FY2015-16.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2014-2015	2015-2016
	14-15	15-16	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$3,035,747	\$5,056,211
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$3,035,747</b>	<b>\$5,056,211</b>