

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	1,254,577		2,345,012	
CASH FUNDS				
FEDERAL FUNDS	360,182		174,766	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>1,614,759</b>		<b>2,519,778</b>	

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

The bill requires the Department of Health and Human Services and the Office of Probation Administration to enter into an interagency agreement prior to October 1, 2018, to allow for children in the probation system to access Title IV-E funds. The two entities are required to make recommendations to the Legislature on changes needed to Nebraska statutes to comply with obtaining Title IV-E funds. This bill also expands the Bridge to Independence Program to youth who are transitioning out of the juvenile justice system who have been in an out-of-home placement and are reaching their 19<sup>th</sup> birthday. The Bridges Program covers youth until their 21<sup>st</sup> birthday.

No estimates are projected expanding the Title IV-E eligibility to children served by the Office of Probation. The bill directs HHS and Probation to enter into an agreement by October 1, 2018, and also to bring statutory issues to the Legislature prior to that date. It is unclear what barriers there may be to Title IV-E eligibility and the impact expanding the coverage would have on the Title IV-E waiver.

The expansion of the Bridge to Independence Program would increase the number of children served by approximately 100 a year. The Bridge Program provides a monthly maintenance payment to the participants and Medicaid coverage. Since these children are currently not eligible for Title IV-E and it is unclear if they will be in the future, this fiscal note assumes there are no Title IV-E funds to cover the program costs. The monthly maintenance payment is \$760. An additional amount of \$620 is available for youth with a dependent child. The maintenance costs would be \$784,440 in FY 2017-18 and \$1,750,497 in FY 2018-19. Medicaid costs would be \$170,800 (\$81,334 GF and \$89,466 FF) in FY 2017-18 and \$341,600 (\$166,834 GF and \$174,766 FF) in FY 2018-19.

Independence coordinators have caseloads of 20 youth. Five additional coordinators and a supervisor would be needed. The cost is \$283,204 in FY 2017-18 and \$356,606 in FY 2018-19. Other administrative costs include IT changes and an actuarial study of managed care rates. One-time costs in FY 2017-18 would be \$305,240 (\$34,524 GF and \$270,716 FF).

The Foster Care Review Office reviews the cases of youth in the Bridge Program. They would need an additional reviewer. The cost would be \$71,075 in FY 2017-18 and \$70,075 in FY 2018-19.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 179	AM:	AGENCY/POLT. SUB: Dept. of Health and Human Services (DHHS)	
REVIEWED BY: Elton Larson	DATE: 2/21/2017	PHONE: <a href="tel:4024714173">402 471-4173</a>	
COMMENTS: DHHS analysis and estimate of fiscal impact appear reasonable.			

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 179	AM:	AGENCY/POLT. SUB: Foster Care Review Office (FCRO)	
REVIEWED BY: Elton Larson	DATE: 1/19/2017	PHONE: <a href="tel:4024714173">402-471-4173</a>	
COMMENTS: FCRO 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) Karen Gatherer

Date Prepared:(4) 1-12-17

Phone: (5) 471-6351

	<u>FY 2017-2018</u>		<u>FY 2018-2019</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$1,492,303		\$2,815,018	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$1,349,909		\$2,133,484	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$2,842,212		\$4,948,502	

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

**Explanation of Estimate:**

LB 0179 requires the Department of Health and Human Services (DHHS) to enter into an agreement with the Office of Probation to administer the Title IV-E state plan for children under placement and care authority of the Office of Probation. Due to State and Federal audits which require ongoing tracking and verification of all IV-E eligibility, it is assumed that DHHS would retain the responsibility of eligibility determination.

According to the Nebraska Juvenile Statistical Annual Report for 2015 there were 929 cases and 1,796 probation youth in an out-of-home placement. Because IV-E eligible children are also eligible for Medicaid, Nebraska Medicaid enrollment is expected to increase. The average rate of IV-E eligibility for out-of-home youth is approximately 36% under Children and Family Services. If 36% of out-of-home probation youth are determined IV-E eligible, the Medicaid Former Foster Care category could see an increase of approximately 647 clients annually that would be covered until the age of 26.

LB 0179 would also create a new Medicaid eligibility category for young adults from age 19 until the age of 21. Annually, there are approximately 100 youth that age out of the Office of Probation that would be Bridges to Independence eligible. If 36% of these youth are found to be IV-E eligible, roughly 36 youth would be covered by Medicaid until the age of 26. If the remaining 64% are not IV-E eligible, those approximately 64 youth would be covered until the age of 21 if they meet all Medicaid eligibility requirements.

The first year of expenditures for 747 new young adult Medicaid clients at an average cost of \$1,708 per client per year would cost Program 348 approximately \$1,275,876 in total funds (\$607,572 GF, \$668,304 FF) in SFY18. The second year of expenditures will roughly double as new clients are brought on and the majority of first year clients have yet to age out. Year two will cost Program 348 approximately \$2,551,752 in total funds (\$1,210,806 GF, \$1,340,946 FF) in SFY19. Subsequent years will increase in expenditures until the population levels off as new clients enter and older clients age out.

Income Maintenance Foster Care workload to determine IV-E eligibility for the approximately 929 out of home probation youth would need to be determined. There would be a need to recruit and hire three (3) additional Income Maintenance Foster Care workers to keep the current case load level of approximately 300 cases per worker. Expenditures for three (3) additional workers would total \$141,710 GF for SFY18 and \$188,946 GF SFY19. No federal funds will be available for any additional workers because DHHS is limited on the amount of federal funds that can be spent on administration, due to the IV-E administrative cap.

DHHS is estimating that all 100 of the youth would be eligible for Bridge to Independence services. The current case load for a Bridge to Independence Coordinator is approximately 20 cases. The addition of 100 new eligible youths would require five (5) additional Independence Coordinators and one (1) Independence Coordinator Supervisor. Expenditures for five (5) additional coordinators and a supervisor would total \$318,876 GF for SFY18 and \$425,167 GF SFY19.

In addition, each young adult in the program is eligible for a monthly stipend of \$760 per month. If 36% of these youth are IV-E eligible, the remaining 64% would be paid 100% from General Fund. The total first year program costs for this stipend would be approximately \$684,000 (\$325,721 GF, \$358,279 FF) in SFY18. The second year of expenditures will increase as new clients are brought on and all of first year clients have yet to age out. Year two stipend costs will be approximately \$1,482,657 (\$830,869 GF, \$651,788 FF) in SFY19.

An additional stipend of \$620 per month, per child for young adults who are parenting a child is also available to participants. Currently, approximately 18% of Bridge to Independence participants are parenting a child. At this same rate, an estimated 18 youths will need to receive an additional parenting stipend. Total annual stipend costs for each youth at \$620 per month would be \$100,440 (\$47,830 GF, \$52,610 FF) for SFY18 and \$267,840 (\$127,090 GF, \$140,750 FF) for SFY19.

DHHS is required to provide face to face contact with young adults on a monthly basis under the Bridge to Independence program, requiring some in state and out of state travel. Travel expenditures for SFY16 were \$45,913. Adding 100 participants from the Office of Probation would increase the case load 35%. Assuming the same 35% increase in travel expenditures, the total fiscal impact related to increased travel is \$16,070 GF for SFY18 and doubling in SFY19 to \$32,140 GF.

IT changes will be required to add a new eligibility category to the MMIS, NFOCUS, and NTRAC systems and will cost Program 033 approximately \$295,240 in total funds (\$29,524 GF, \$265,716 FF) in SFY18. Updating the managed care capitation rates to add a new category and the new integrated structure at renewal would cost Program 263 approximately \$10,000 total funds (\$5,000 GF, \$5,000 FF) in SFY18 for Medicaid.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES: POSITION TITLE	NUMBER OF POSITIONS		2017-2018	2018-2019
	17-18	18-19	EXPENDITURES	EXPENDITURES
C72312 Independence Coordinator	3.75	5	\$139,456	\$185,942
V72313 Independence Coordinator Supervisor	.75	1	\$35,694	\$47,592
C72172 Income Maintenance Foster Care Worker	2.25	3	\$77,838	\$103,784
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Benefits.....			\$92,727	\$123,728
Operating.....			\$420,041	\$153,067
Travel.....			\$16,070	\$32,140
Capital Outlay.....				
Aid.....			\$2,060,316	\$4,302,249
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$2,842,212</b>	<b>\$4,948,502</b>

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**2017**

**LB<sup>(1)</sup> 179**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Foster Care Review Office

Prepared by: <sup>(3)</sup> Heidi Ore Date Prepared: <sup>(4)</sup> 1/18/2017 Phone: <sup>(5)</sup> 402-471-4676

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

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>53,306</u>	<u>                    </u>	<u>52,556</u>	<u>                    </u>
CASH FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
FEDERAL FUNDS	<u>17,519</u>	<u>                    </u>	<u>17,519</u>	<u>                    </u>
OTHER FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL FUNDS</b>	<u><b>71,075</b></u>	<u><b>                    </b></u>	<u><b>70,075</b></u>	<u><b>                    </b></u>

**Explanation of Estimate:**

The FCRO did not request additional staff when B2I reviews were initially required in 2014. LB 179 would potentially increase the youth requiring reviews by 200+. The FCRO would require an additional Review Specialist to conduct the reviews of both the regular B2I population (175) and the newly added youth in out of home care who are 18 and on probation (200).

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
FCRO Review Specialist	<u>1</u>	<u>1</u>	<u>38,509</u>	<u>38,509</u>
Benefits.....			<u>28,166</u>	<u>28,166</u>
Operating.....			<u>2,400</u>	<u>2,400</u>
Travel.....			<u>1,000</u>	<u>1,000</u>
Capital outlay.....			<u>1,000</u>	<u>                    </u>
Aid.....			<u>                    </u>	<u>                    </u>
Capital improvements.....			<u>                    </u>	<u>                    </u>
<b>TOTAL.....</b>			<u><b>71,075</b></u>	<u><b>70,075</b></u>

Please complete ALL (5) blanks in the first three lines.

**2017**

**LB<sup>(1)</sup> 179**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Supreme Court

Prepared by: <sup>(3)</sup> Eric Asboe Date Prepared: <sup>(4)</sup> 2/21/17 Phone: <sup>(5)</sup> 1-4138

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

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

LB179 has the potential to eventually decrease General Fund expenditures if Federal Title IV-E funds become available in the future. No estimate of the amount of the decrease can be determined at this time.

It is estimated that the sections of LB179 related to the Bridge to Independence program will have a minimal impact on court and probation operations.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____