

PREPARED BY: Liz Hruska
 DATE PREPARED: January 24, 2018
 PHONE: 402-471-0053

LB 702

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	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 makes changes to child support collections that are needed to comply with new federal regulations effective October 1, 2018. The bill changes “health insurance” to the broader term, “health care coverage.” Under the provisions of this bill, child support orders would include payments for medical coverage provided by Medicaid. This bill also allows a county attorney or an authorized attorney to review or file an application for modification for incarcerated individuals.

The changes are needed to comply with new federal regulations that are effective on October 1, 2018. Up to \$81 million annually in IV-D child support and Temporary Assistance for Needy Families (TANF) is at risk if the State fails to comply.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 702	AM:	AGENCY/POLT. SUB: Department of Health and Human Services (DHHS)	
REVIEWED BY: Elton Larson		DATE: 1/23/18	PHONE: (402) 471-4173
COMMENTS: Appropriations are currently in place to continue DHHS programs based on compliance with federal requirements.			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Mike Michalski

Date Prepared: 01/21/2018

Phone: (5) 471-5046

	<u>FY 2018-2019</u>		<u>FY 2019-2020</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>

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

Explanation of Estimate:

LB 702 brings state law in alignment with federal mandates that require the Child Enforcement Program (CSE) to recognize Medicaid as "health care coverage" for children and grant CSE the authority to review and modify support orders of individuals incarcerated over 180 days.

Without this legislation to comply with the new federal statute, the State of Nebraska risks losing over \$81,000,000 annually in federal funding from IV-D and TANF based on FY 2016 figures for non-compliance of regulations. Nebraska is currently receiving these funds based on compliance of federal regulations that expire on September 30, 2018. The new state regulations must be adopted by October 1, 2018, to be in compliance with the new federal regulations that are enacted on the same day.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2018-2019	2019-2020
	18-19	19-20	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			<u>See Above</u>	<u>See Above</u>