

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	1,368,616		1,277,229	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	1,368,616		1,277,229	

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

This bill extends and expands the Aging and Disability Resource Center Demonstration Projects that are set to terminate on June 30, 2018.

The ADRCs were created in FY 2016 and the demonstration projects are set to expire on June 30, 2018. Funding for the demonstration projects were inadvertently included in the budget request for FY 2019, even though they were to sunset. This was not caught by the Legislative Fiscal Office, either. There is \$925,094 General Funds in the agency's budget in FY 2019. This bill removes the sunset and expands the projects statewide. The agency's fiscal note assumes the continued use of these appropriated funds plus the funding for additional projects. However, the funding was only appropriated due to an oversight. The fiscal impact of this bill is the full cost of all the ADRCs. Administrative costs would be \$636,415 in FY 2019 and \$478,207 in FY 2020. Aid costs would be \$732,201 in FY 2019 and \$799,022 in FY 2020. All costs are general funds. The bill also direct the department to pursue federal matching funds for the ADRCs. Federal funds, if any, would not be available until FY 2020.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1004 AM:	AGENCY/POLT. SUB: Department of Health and Human Services (DHHS)	
REVIEWED BY: Elton Larson	DATE: 2/6/2018	PHONE: (402) 471-4173
COMMENTS: DHHS estimate identifies impact of LB 1004 for FY2018-19 and FY2019-20 in addition to the \$925,094 General Funds currently appropriated to DHHS for FY2018-19. Current law provides that the ADRC pilot operates through the end of FY2017-18. The \$925,094 General Funds for FY 2018-19 is available for continued funding for the ADRC's with passage of LB 1004, other priorities of the Legislature, or lapse to the General Fund at the end of the biennium.		

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 1-18-18

Phone: (5) 471-6719

	<u>FY 2018-2019</u>		<u>FY 2019-2020</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$476,297		\$1,352,082	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$476,297		\$1,352,082	

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

Explanation of Estimate:

\$1,401,391 in expenses of establishing ADRC beyond a demonstration project in SFY2019:

1. \$669,190 administrative costs (Program 263):
 - a. geo-routing of the phone system
 - b. a software update
 - c. internal survey management
 - d. external evaluation expenses
 - e. personnel costs associated with
 - i. the two existing Program Managers
 - ii. Business Analyst starting January 1, 2019
 - iii. Federal Aid Administrator starting January 1, 2019
2. \$732,201 aid expenditures (Program 571):
 - a. ADRC Services
 - b. Marketing

Existing general fund appropriation under the current Aging and Disability Resource Center (ADRC) Demonstration Project Act totals \$925,094 (\$321,182 dedicated to program administration and \$603,912 dedicated to Program 571 aid) annually through June 30, 2018. The total need is an additional \$476,297 to the SFY19 general fund (\$1,401,391 reduced by \$925,094 in current appropriation). The fiscal impact of LB1004 is offset by existing funding in SFY19 but not offset in SFY20. Administrative claiming through the Centers for Medicaid and Medicare would be pursued in accordance with the revised statute, however funds are not guaranteed and would not become available until sometime in SFY2020.

In SFY2020 the administrative costs are expected to total \$553,060. This reflects a 2% increase in phone, survey management, and evaluation expenses, fully implemented staffing costs, and a reduction in software expenditures in the second year. The projected aid expenditures in SFY2020 grow to \$799,022 reflecting program growth of 10% clients annually. The total need for the second year is \$1,352,082.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2018-2019	2019-2020
	18-19	19-20	EXPENDITURES	EXPENDITURES
DHHS Program Manager I	2	2		\$116,497
IT Business Systems Analyst	0.5	1	\$25,296	\$50,592
Federal Aid Administrator I	0.5	1	\$19,479	\$38,958
Benefits.....			\$59,686	\$76,258
Operating.....			\$243,547	\$270,755
Travel.....				
Capital Outlay.....				
Aid.....			\$128,289	\$799,022
Capital Improvements.....				
TOTAL.....			\$476,297	\$1,352,082