

PREPARED BY: Liz Hruska  
 DATE PREPARED: January 29, 2019  
 PHONE: 402-471-0053

# LB 505

Revision: 00

## FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2019-20</b>		<b>FY 2020-21</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 would allow the State Disbursement Unit (SDU) which collects and disburses child support to use a subsequent month's payment to cover the charges for returned checks. After one returned check, the SDU could require a form of guaranteed payment. Current law allows two returned checks before such guaranteed payment can be required.

The provisions in the bill are contrary to federal law and would put at risk federal child support funding in the amount of \$16.6 million and Temporary Assistance for Needy Families funding in the amount of \$56.6 million.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 505</b>	<b>AM:</b>	AGENCY/POLT. SUB: <b>Nebraska Department of Health and Human Services</b>
<b>(025)</b>		
REVIEWED BY: Joe Wilcox	DATE: 01/29/2019	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Department of Health and Human Services estimate of potential Fiscal Impact to the Agency from LB 505. The Agency's estimate of possible federal fund loss from enactment of the bill is potential risk, but not definitive.		

**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 1-24-19

Phone: (5) 471-6719

**FY 2019-2020**

**FY 2020-2021**

	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	See Below		See Below	

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

**Explanation of Estimate:**

LB 505 will change the process of child support payments. If this bill passes, charges for returned checks come from payer's next payment. The Department of Health and Human Services (DHHS) believes the bill as drafted contradicts federal law and the State of Nebraska could be subject to losing all Federal IV-D and TANF funding. The amount of the 2018 IV-D grant is \$16,616,102 and the amount of the 2018 TANF grant is \$56,627,234. The total federal funding at risk is \$73,243,336.

DHHS will be required to complete a minor rule and regulation change as a result of LB 505. DHHS will absorb the estimated costs listed below to complete this regulation change.

Title	Hour(s)	Hourly Cost	Absorbed Cost
Director	1	72.115	\$ 72
Deputy Director	1	51.923	\$ 52
Administrator I	1	29.354	\$ 29
Program Specialist	2	21.466	\$ 43
Program Analyst	4	20.869	\$ 83
Attorney 3	10	32.213	\$ 322
<b>Total Costs</b>	<b>19</b>		<b>\$ 602</b>

**MAJOR OBJECTS OF EXPENDITURE**

**PERSONAL SERVICES:**

POSITION TITLE	NUMBER OF POSITIONS		2019-2020 EXPENDITURES	2020-2021 EXPENDITURES
	19-20	20-21		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>				

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

**2019**

**LB<sup>(1)</sup> 505**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Jason Walters Date Prepared: <sup>(4)</sup> January 30, 2019 Phone: <sup>(5)</sup> 402-471-2793

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

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>-\$10,000.00</u>	<u>                    </u>	<u>-\$10,000.00</u>	<u>                    </u>
CASH FUNDS	<u>-\$1,500.00</u>	<u>                    </u>	<u>-\$1,500.00</u>	<u>                    </u>
FEDERAL FUNDS	<u>No Change</u>	<u>                    </u>	<u>No Change</u>	<u>                    </u>
OTHER FUNDS	<u>No Change</u>	<u>                    </u>	<u>No Change</u>	<u>                    </u>
<b>TOTAL FUNDS</b>	<u><b>-\$11,500.00</b></u>	<u>                    </u>	<u><b>-\$11,500.00</b></u>	<u>                    </u>

**Explanation of Estimate:**

This legislation will impact the State Disbursement Unit by providing additional resources to recoup bad debt, prevent bad debt, and find solutions when mistakes are made. Changes to the fee language will assist in clarifying how these funds are used. Requiring payments to be forwarded electronically by counties still accepting payments will allow for more timely and secure processing of such payments. Reduced staff workload will allow for working on older more difficult items and assist in other areas of the office.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
<u>Benefits.....</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Operating.....</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Travel.....</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Capital outlay.....</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Aid.....</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Capital improvements.....</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL.....</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>