

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	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 authorizes the Department of Health and Human Services to adjust guardianship payments. The guardian is required to provide documentation supporting the need for the adjustment. The adjustment may be made based on a change in circumstances or other family circumstances.

The department anticipates many guardians will apply for an adjustment. Their fiscal note only shows the increased staff to process the anticipated applications. Their fiscal note shows an example of potential costs but since the adjustment is discretionary, those amounts are not shown in the boxes.

There are 920 guardianships. Of those, 877 are state-only cases, and 43 are eligible for a Title IV-E federal match. This workload would require two additional staff positions, a program specialist and social service worker. The costs would be \$111,363 (\$55,182 GF and FF) in FY 2022 and \$147,150 (\$73,575 GF and FF) in FY 2023.

Guardianship payments can equal but not exceed the foster care rate. Rates vary by age and needs of the child. The estimate is based on the average difference between the two rates with an assumption that not all rates would be increased to the maximum.

The department's fiscal note shows an example of the costs assuming 75% of the guardianships would receive approval. It is based on an average of the current guardianship rate and the highest foster care rate adjusted downward assuming not all approved requests would be at the maximum allowable. The costs would be \$5,110,000 General Fund for the state-only cases and \$248,544 (\$55,182 GF and FF) for Title IV-E cases in FY 2022 and FY 2023.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 127	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services (25)
REVIEWED BY: Joe Wilcox	DATE: 01/26/2021	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Department of Health and Human Services (DHHS) estimate of potential fiscal impact to the Agency relative to increased staff needed to handle the additional case workload, however, the primary fiscal impact would be from changes in the number and dollar amount of guardian benefit increases, which are mentioned in the narrative of the fiscal note, but not detailed in the estimates shown in the boxes.		

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 1-26-2021

Phone: (5) 471-6719

	FY 2021-2022		FY 2022-2023	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$ 55,518		\$ 73,575	
CASH FUNDS				
FEDERAL FUNDS	\$ 55,519		\$ 73,575	
OTHER FUNDS				
TOTAL FUNDS	\$ 111,037	\$ 0	\$ 147,150	\$ 0

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

Explanation of Estimate:

LB 127 would allow the Department of Health and Human Services to adjust guardianship assistance at the request of the guardian. The Department may review existing aid when it has been determined there is a change in family circumstances or change in the child’s special needs. The estimated expenditures in SFY 2022 is \$5,470,267 and \$5,506,380 in SFY 2023.

The maximum guardianship benefit can equal, but not exceed the amount calculated using the maximum foster care rate. The difference between the average guardianship assistance and the amount calculated with the maximum foster care rate is \$21.28 per day or \$7,767 per year. The Department estimates 75% of the 877 state funded cases will request a review and be approved for an increase in benefit. The increased cost for the 658 cases is approximately \$5,110,686 in SFY 2022 and SFY 2023.

Currently, 43 cases are IV-E eligible. The Department estimates 32 of the cases would request a review and be approved for an increase in benefit. The increased cost for the IV-E eligible cases would be \$248,544. The federal fund impact, using the blended FMAP rate of 57.07% for SFY 2022 and 57.26% in SFY 2023, is approximated to be \$141,844 in SFY 2022 and \$142,316 in SFY 2023. State funding would be approximately \$106,700 in SFY 2022 and \$106,228 in SFY 2023.

If the Department were to review each request, one Program Specialist and one Social Services Worker would need to be hired by September 2021. The cost for additional staff would be \$110,363 for SFY 2022 and \$147,150 for SFY 2023. Fifty percent of the administration costs can be federally funded. The remaining amount would be paid with state funds.

Additional costs of \$674 would include graphic services and NFocus modifications by Information Technology staff in SFY 2022. Fifty percent of the expenditures can be federally funded. The remaining \$337 would be paid with state funds.

The Department will be required to complete a major rule and regulation change as a result of LB 127.

Title	Hours	Hourly Cost	Absorbed Cost
Director	4	\$ 74.28	\$ 297
Deputy Director	4	\$ 53.48	\$ 214
Administrator I	4	\$ 30.82	\$ 123
Program Specialist	8	\$ 22.52	\$ 180
Program Analyst	16	\$ 21.91	\$ 351
Attorney III	30	\$ 33.82	\$ 1,015
Total Costs	66		\$ 2,180

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2021-2022	2022-2023
	21-22	22-23	EXPENDITURES	EXPENDITURES
DHHS Program Specialist	.8	1	\$ 35,655	\$ 47,540
Social Services Worker	.8	1	\$ 27,929	\$ 37,238

Benefits.....	\$ 22,102	\$ 29,469
Operating.....	\$ 25,351	\$ 32,903
Travel.....		
Capital Outlay.....		
Aid.....		
Capital Improvements.....		
TOTAL.....	\$ 111,037	\$ 147,150