

PREPARED BY: Liz Hruska
 DATE PREPARED: January 26, 2022
 PHONE: 402-471-0053

LB 932

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$839,323		\$1,084,756	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$839,323		\$1,084,756	

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

This bill addresses the handling of social security benefits for children in foster care. The bill limits the amount of the benefits that may be used to reimburse the state for the cost of care. The bill directs processes and procedures for applying for benefits, accounting for the payments and notifying the child and the child’s guardian ad litem of the benefits and amounts received. The Department of Health and Human Services is required to adopt and promulgate rules and regulations on or before October 1, 2022, to carry out the provisions of the bill.

The state currently is allowed to retain the amount over \$1,000 in social security benefits a child receives. This bill increases the amount the child may retain to \$2,000 and reduces the amount the state may use for the cost of care. General funds are needed to replace the funding. The amount is \$956,532 annually. Assuming implementation begins on October 1, 2022, the cost for nine months in FY 2023 would be \$717,399.

One-time cost for system changes would be \$22,505 in FY 2023. The department is currently responsible for assisting with applications and tracking and managing the funds. The bill puts into place more time intensive processes for accounting of the funds, reports to the courts and notifications to the child or the child guardian ad litem. In FY 2021, the monthly average number of children who received SSI was 156 children and the monthly average number of children receiving SSA was 252 children. To ensure proper accounting and meeting the reporting requirements, additional resources will be needed. The department indicates the need for a full time social service worker and fulltime accountant. The cost of the additional staff would be \$99,419 in FY 2023 and \$128,224 in FY 2024.

The impact on the courts is minimal.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 932	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 1-26-2022	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Department of Health and Human Services’ assessment of fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 932	AM:	AGENCY/POLT. SUB: Supreme Court	
REVIEWED BY: Ann Linneman	DATE: 1-26-2022	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Supreme Court’s assessment of fiscal impact.			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) John Meals

Date Prepared 1-25-2022

Phone: (5) 471-6719

	<u>FY 2022-2023</u>		<u>FY 2023-2024</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$ 1,097,646		\$ 1,111,342	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$ 1,097,646		\$ 1,111,342	

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

Explanation of Estimate:

LB 932 requires the Department of Health and Human Services to screen each child for social security benefits within sixty days of entering the Department’s custody. If the Department determines that the child may be eligible for social security benefits, the Department shall submit an application for benefits on the child’s behalf and maintain and respond to correspondence regarding the application and eligibility determinations with the Social Security Administration in a timely manner. This requirement would require more applications to be created by Maximus, the private organization that submits each application. The increase in applications will result in an increase cost of approximately \$10,000 paid to Maximus each year. Additionally, the Department shall appeal any rejections of application of benefits and resubmit applications if it is believed that the reason for ineligibility ceases to exist. The Department shall also notify the child and the child’s guardian of all social security applications that are filed by the Department on the child’s behalf and all correspondence between the Department and the Social Security Administration regarding the benefit eligibility of the child.

This bill also requires the Department to receive written and informed consent to view the child’s medical records for the application of social security benefits. The Department shall establish an interest-bearing trust account for each child’s social security benefits that are not used for the child’s care and conserve social security benefits for a child with at least 40% of benefits invested in a trust account on the child’s behalf beginning at age 14. This amount increases to 80% of benefits once the child becomes 16 years of age and 100% at age 18 and above. Child-owned assets and income exceeding \$2,000 shall be available to reimburse the state for the cost of the child’s care. The proposed amount is \$1,000 higher than the current threshold of child-owned assets of \$1,000 before reimbursement to the state was required. The Department already maintains a detail account of a child’s assets and any income generated by the investment of assets.

DHHS uses SSA/SSI funds in accordance with federal law to reimburse state costs for care of the minor child. The Department will need to replace the newly held social security income that was formerly utilized for the care of the child. After reviewing SSA/SSI fund usage, it was determined that approximately \$40,186 of SSA and \$39,525 SSI funds each month would need to be added to the budget of the Division of Child and Family Services (CFS) for LB 932 to be aid cost neutral. Annualizing this amount is equivalent to \$956,532 per year.

Additionally, the Department shall provide notice and accounting information to the juvenile court regarding the Department’s receipt, use, and conservation of the juvenile’s social security benefits at every review hearing. A procedure which includes updating court report and case plans submitted to courts at review hearings will need to be established. NFOCUS would need to be updated to implement LB 932. It is estimated to take 167 hours of Technical Analyst work at a cost of \$15,030 and 115 hours of a Business Analyst at a cost of \$7,475.

Additional staff will be needed to provide notices and account information to the juvenile court for a minimum of two reviews per year for each juvenile case or up to 12 reviews per year for cases that have monthly reviews. A Social Services Worker and an Accountant will need to be hired by October 2022. The estimated cost for the two staff positions is \$108,609 in SFY 2023 and \$144,810 in SFY 2024.

DHHS will be required to complete a major rule and regulation changes as a result of LB 932. DHHS will absorb the estimated costs listed below to complete the regulation changes.

Title	Hour(s)	Hourly Cost	Absorbed Cost
<i>Director</i>	4	\$ 76	\$ 303
<i>Deputy Director</i>	4	\$ 55	\$ 218
<i>Administrator I</i>	4	\$ 31	\$ 126
<i>Program Specialist</i>	8	\$ 23	\$ 186
<i>Program Analyst</i>	16	\$ 23	\$ 363
<i>Attorney III</i>	30	\$ 35	\$ 1,035
Total Costs			\$ 2,231

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2022-2023	2023-2024
	22-23	23-24	EXPENDITURES	EXPENDITURES
Accountant II	.8	1	\$ 31,879	\$ 42,505
Social Services Worker	.8	1	\$ 33,205	\$ 44,273

Benefits.....		\$ 19,240	\$ 25,652
Operating.....		\$ 56,790	\$ 42,380
Travel.....			
Capital Outlay.....			
Aid.....		\$ 956,532	\$ 956,532
Capital Improvements.....			
TOTAL.....		\$ 1,097,646	\$ 1,111,342

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2022

LB⁽¹⁾ 932

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 1/25/2022 Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</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:

LB932 may have an indirect impact on the Judicial Branch. Some juveniles on probation that are also State wards could be affected. Juvenile court process may be modified. However, any impact is not estimated to be significant and no additional resources are required at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____