

PREPARED BY: Mikayla Findlay
 DATE PREPARED: February 21, 2025
 PHONE: 402-471-0062

LB 704

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

This bill changes provisions related to review and changes to child support orders for incarcerated parents, newly requiring the Department of Health and Human Services to initiate a review of a child support order when a noncustodial parent is incarcerated for over 180 days, parties to submit information within 30 days of notice, and the review to be completed within 90 days. DHHS indicates the timeline may impede thorough review.

The bill also allows requires a hearing where the incarcerated noncustodial parent can request a review of the determination which may be waived. This type of hearing is not available to non-incarcerated noncustodial parents, payees, or other parties. The agency also notes concerns with terminology not being consistent with the Administrative Procedures Act.

DHHS notes the CHARTS system would need to be modified to accommodate the changes in the bill amounting to approximately \$68,640 of which 66% would be covered by federal funds. The agency indicates no new appropriation would be necessary to accommodate these expenses.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 704	AM:	AGENCY/POLT. SUB: Department of Health and Human Services	
REVIEWED BY: Jacob Leaver	DATE: 2/24/2025	PHONE: (402) 471-4173	
COMMENTS: Concur with the Department of Health and Human Services' estimate of no fiscal impact as a result of LB 704.			

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 2-21-25

Phone: (5) 471-6719

	<u>FY 2025-2026</u>		<u>FY 2026-2027</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

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

Explanation of Estimate:

LB704 changes the provisions related to child support. The bill requires the Department of Health and Human Services (DHHS) to initiate a review of the child support order of a noncustodial parent incarcerated for over 180 days. The bill requires the parties to provide DHHS with financial information within 30 days of the notice and the entire review to be completed within 90 days. This would impact the department as it would require adjustments to be made to the current CSE processes and forms. Moreover, reducing the time period to 90 days would cause a burden on the parties to submit the required information as well as DHHS to complete a thorough review of the case and make determinations within this timeline.

Section 2 of the bill amends Neb. Rev. Stat. §43-512.13, which would allow incarcerated parents a hearing to request a review of the Department’s determination that the child support decrease is not warranted under the circumstances. The hearing is required unless the incarcerated parent waives the hearing. This type of hearing process is not available to non-incarcerated parents, obligors, or payees and is not available if the Department determines a modification to decrease the support obligation is justified, which raises Equal Protection and due process concerns. Although the bill uses the word “hearing,” it does not identify this as a “contested case” pursuant to the Administrative Procedure Act.

Overall, the bill requires changes to existing statutes and CSE processes, specifically regarding the review and modification (R&M) of child support for individuals expected to be incarcerated for more than 180 days. System updates will be necessary to implement the bill's provisions, with estimated costs for updating CHARTS projected at \$68,640, which accounts for 733 hours of technical and business analysts' time. Additionally, training will be required for CSE operational specialists, supervisors, and county attorney staff to incorporate the provisions of this bill into the current review and modification process. CSE costs are paid 66% federal funds and 34% general funds.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2025-2026	2026-2027
		26-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					

