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 DATE PREPARED: January 19, 2012
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LB 820

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES * | | | | |
|---|---------------------|----------------|---------------------|----------------|
| | FY 2012-13 | | FY 2013-14 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | See Below | | See Below | |

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill requires the Department of Health and Human Services to apply for a Title VI-E waiver on or before January 1, 2013. The demonstration project under the waiver shall include but not be limited to the following: 1) increasing permanency for children in foster care, 2) increasing positive outcomes for children and improving their safety and well-being, 3) preventing child abuse and neglect, (4) preventing reentry of children into the child welfare system, 5) developing a program to permit foster care payments to be made to long-term therapeutic family treatment centers and 6) addressing domestic violence that endangers children. Within three years of the date of submission or within two years after the date of the Title IV-E waiver approval whichever is later, at least two of the child welfare improvement policies in the 42 U.S 1320a-9(a)(7) shall be implemented. At least one improvement policy shall be one that has not been previously implemented. The department is to report to the Health and Human Services Committee by September 15, 2012, on the status of the application.

The department indicates contractual costs or the equivalent in staff time will be approximately \$50,000 for the readiness assessment and development of the waiver. The cost would be split between general and federal funds. After the waiver is approved, an evaluation is required. Those costs will also be shared between general and federal funds. The cost is unknown since the specifics of the waiver and the evaluation design are unknown at this time.

Almost half of the states have Title IV-E waivers which allow states greater flexibility in the use of federal Title-IV-E funds. Title-IV-E funds are restricted to paying for out-of-home care and some training and administrative costs. The waivers allow states to cover a broader population such as children at risk of abuse and neglect and those remaining in their homes. It also allows for a broader range of services such as prevention services and a wide range of intervention, support and therapy services. The intent of the flexibility provided for in the waiver is to improve the delivery of child welfare services by designing programs to keep children out of the system, to maintain children in their family homes, to accelerate the movement toward permanency and to provide aftercare services that help to stabilize situations after exiting the system. Long-range, there should be general fund savings from obtaining enhanced federal funding and improvements in the child welfare system.

LB⁽¹⁾ 0820

FISCAL NOTE

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2012

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Willard Bouwens

Date Prepared:(4) January 18, 2012

Phone: (5) 471-8072

FY 2012-2013

FY 2013-2014

| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
|--------------------|--------------|-----------|--------------|-----------|
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | See below | See below | See below | See below |

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

Explanation of Estimate:

The first year fiscal impact of LB820 to the Department of Health and Human Services (DHHS) will be in regard to staff and/or contractor time in conducting the readiness assessment and in the development of the application for approval of a demonstration project also known as a Title IV-E waiver. That cost is estimated at \$50,000 (500 hours at \$100/hour). Future costs will be associated with the application, if approved, including the cost of the required independent evaluation that must be conducted:

If LB 820 passes the way it is currently worded it also locks Nebraska into applying by October 2012, which may strategically not be in the states best interest in terms of the current IV-E penetration rate. Since the fiscal impact of an application is dependent on the IV-E penetration rate at the time of the application, a premature application might have a negative fiscal impact. DHHS needs time to examine these factors prior to applying for the waiver.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

| POSITION TITLE | NUMBER OF POSITIONS | | 2012-2013 EXPENDITURES | 2013-2014 EXPENDITURES |
|---------------------------|---------------------|-------|---------------------------|---------------------------|
| | 12-13 | 13-14 | | |
| Benefits..... | | | | |
| Operating..... | | | | |
| Travel..... | | | | |
| Capital Outlay..... | | | | |
| Aid..... | | | | |
| Capital Improvements..... | | | | |
| TOTAL..... | | | See above | See above |