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LB 820

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Revised to provide new information

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	24,000			
CASH FUNDS				
FEDERAL FUNDS	6,000			
OTHER FUNDS				
TOTAL FUNDS	30,000		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 bill has the emergency clause.

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 costs would be \$20,000 (\$16,000 GF and \$4,000 FF) in FY 12 and \$30,000 (\$24,000 GF and \$6,000 FF) in FY 13. 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. In the long range, there should be general fund savings from enhanced preventative services and improvements in the child welfare system.