

Revised based on amendments adopted through May 21, 2013.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	793,258		1,205,017	
CASH FUNDS				
FEDERAL FUNDS	1,035,685		1,528,100	
OTHER FUNDS				
TOTAL FUNDS	1,828,943		2,733,117	

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

This bill establishes the Young Adult Voluntary Services Act. Former foster children between the ages of 19 and 21 could voluntarily request continued services from the state, if certain conditions are met. Those who enter into a guardianship or were adopted are also eligible, if they entered into the guardianship or were adopted at age 16 or older and if they also meet the conditions outlined in the bill. Extended care and support includes, but are not limited to Medicaid coverage, housing support and case management. The services would be available between 60 and 90 days after HHS received notice of the Title IV-E plan approval. If the plan is not approved, a state-only program will be implemented with the appropriated General Funds. Legislative intent is stated that the appropriation would be \$2 million. The Department of Health and Human Services shall conduct a redetermination of income eligibility for Title IV-E for young adults who sign up for voluntary services and support under this act. The juvenile court will oversee the voluntary agreement cases and shall hold a hearing not more than 180 days after the agreement is signed and at least once a year and at additional times at the request of the youth. Additionally, the department and at least one person who is not responsible for case management shall conduct periodic case reviews not less than once every 180 days. On or before July 1, 2013, The Nebraska Children’s Commission shall appoint a Young Adult Voluntary Services and Support Advisory Committee.

It is estimated that approximately 172 former wards, 30 in guardianships and 10 who were adopted would voluntarily seek assistance in FY 14. In FY 15, it is estimated that 255 former wards, 40 in guardianships and 30 who were adopted would receive services.

Mainspring Consulting recently completed a study of the costs of extending benefits and supports to foster children aging out of the system. Using their model and their participation rates, maintenance and service costs and flex funding are estimated to be \$972,610 (\$360,810 GF and \$611,800 FF) in FY 14 and \$1,236,831 (\$363,883 GF and \$872,948 FF) in FY 15. The current General Fund appropriation for the former ward program is \$263,350 in FY 14 for a half year and \$526,700 in FY15. The services costs are net of the former ward funding. Additionally, \$400,000 in federal Chafee funds is also available to implement the provisions in this bill in FY 15 and \$200,000 for a half year in FY 14.

The study assumes a higher ratio of former wards would meet Title IV-E eligibility than the current ratio of foster children. If fewer former wards meet Title IV-E eligibility, then federal funds would be lower and General Funds would be higher. If the Title IV-E plan is not approved, the General Fund appropriation would be used to implement the state-only program. To provide the maximum flexibility in implementing this program, the staffing and aid funds are placed in a separate budget program.

The cost of administering the program is estimated to be \$840,313 (\$424,358 GF and \$415,955 FF) in FY 14 and \$1,263,662 (\$695,014 GF and \$568,648 FF) in FY 15. Additional personnel include case managers, supervisors, attorneys, a program specialist and an eligibility technician.

It is assumed in this fiscal note that the periodic six-month reviews would be conducted by the Foster Care Review Office. The review costs are estimated to be \$16,019 (\$8,090 GF and \$7,930 FF) in FY 14 and \$192,232 (\$105,728 GF and \$86,504 FF) in FY 15.

The voluntary cases would be processed through the court system. Additional court resources would be required with the biggest impact on the Juvenile Courts in Douglas and Lancaster Counties. A contracted judicial hearing officer would cost \$561a day. Assuming Douglas County has half of the voluntary agreements and Lancaster County has one third, the cost would be \$40,392 in FY 15.

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The number of youth signing voluntary agreements is expected to increase in subsequent years, as children exiting the system will be more connected and better informed of the supports available than those that have already left the system and may not be aware of the supports that are available.

The Department of Health and Human Services fiscal note assumes higher participation and does not assume approval of the Title IV-E plan.

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

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Date Prepared:(4) 5-22-13

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	<u>FY 2013-2014</u>		<u>FY 2014-2015</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$7,433,103		\$7,433,103	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$7,433,103		\$7,433,103	

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

Explanation of Estimate:

LB216 AM502 would provide that "The program is available, on a voluntary basis, to a young adult:

(1) Who has attained at least nineteen years of age; (2) "Who was adjudicated to be a juvenile described in subdivision (3)(a) of section 43-247 and, upon attaining nineteen years of age, was in an out-of-home placement or had been discharged to independent living".

Under these provisions only Neb. Rev. Stat. Section 43-247 (3)(a) juveniles who age out while still out-of-home or in independent living would be eligible for participation under the Young Adult Voluntary Services and Support Act but not juveniles adjudicated under other subsections of Neb. Rev. Stat. Section 43-247. This provision, while reducing the number of potential youth that might participate under the act, would also mean that Title IV-E funding would not be available for the program as per Titles IV-B and IV-E of the Social Security Act (the Act); P.L. 110-351; P.L. 111-148.

The provisions of the amendments also affect the subsidized guardianships and subsidized adoptions.

For the guardianship assistance, the federal program only applies to kinship guardianships. LB216 would appear to extend the program to all guardianships, which would mean that only state funds could be used for some of the extended guardianship assistance payments (those that do not meet the federal definition of a kinship guardianship). Authority for this can be found in Title IV-E Section 475(8)(B)(i)(III) and 473(d) of the Social Security Act.

For the adoption assistance, federal guidance (ACYF-CB-PI-10-11) says that the State "may not target the adoption assistance to a subset of eligible children." In addition, the ACF's Child Welfare Policy Manual (CWPM) Section 8.2B indicates that the State must provide the extended adoption assistance payments to youth under a IV-E adoption assistance agreement that was in place prior to the agency taking the option to extend the program. The amended LB216, which restricts the extended adoption assistance to those adopted after 1/1/2014, would appear to contradict this requirement and would therefore also require DHHS to use state funds only for the extended program.

Provisions of the guardianship and adoption assistance programs would apply to young adults who entered into a guardianship or were adopted after January 1, 2014.

AM502 would also provide that:

"The department is not required to have legal counsel present at such hearings."

This additional language does not change DHHS's right to counsel or the prudence of having legal counsel available to represent DHHS in court and advise on legal issues related to the extended programs. The amended bill also continues to require DHHS to file legal pleadings, which would also be carried out by the added attorneys.

Given the provisions of the amendments the Department assumes that 50% (156) of the Section 43-247 3 (a) children (312) would chose to participate in this voluntary program.

Extended Adoption Assistance \$60,433 (GF)

Extended Guardianship Asst (Using Option 1 of consultant study) \$200,526 (GF)

Voluntary Care to 21 \$2,876,282 (GF)

Annual service cost \$94,349 (GF)

Annual Flex Fund costs \$315,900 (GF)

Medical expenses \$1,138,256 (GF). (Not included in original fiscal note)

Staffing including salary and benefits, operations (indirect cost), and annual administrative costs for host homes and direct stipends \$2,747,358 (GF)

The total estimated cost of this program, is \$7,433,103 (GF)

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2013-2014	2014-2015
	13-14	14-15	EXPENDITURES	EXPENDITURES
CFS Specialist (C72312)	22	22	\$784,784	\$784,784
CFS Specialist Supervisor (R72313)	4	4	\$177,284	\$177,284
Eligibility Technician (C72230)	1	1	\$28,995	\$28,995
DHHS Program Specialist (C73210)	1	1	\$42,363	\$42,363
Attorney III (V31113)	4	4	\$254,516	\$254,516
Benefits.....			\$515,177	\$515,177
Operating.....			\$944,239	\$944,239
Travel.....				
Capital Outlay.....				
Aid.....			\$4,685,745	\$4,685,745
Capital Improvements.....				
TOTAL.....			\$7,433,103	\$7,433,103