

Revised based on amendments adopted through 3-19-14

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	550,968		685,207	
CASH FUNDS				
FEDERAL FUNDS	781,893		918,831	
OTHER FUNDS				
TOTAL FUNDS	1,332,861		1,604,038	

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

This bill renames the Young Adult Voluntary Services and Support Act to the Bridge to Independence Program. The bill delineates the duties to the independence coordinators and the role of the courts in permanency reviews.

The changes clarify rather than change the roles and responsibilities of the Department and the courts. There is no fiscal impact.

The agency fiscal note refers to the appropriation contained in LB 216A and states the belief that the program is underfunded by \$5,156,830. The reference to LB 216A is not relevant to the changes contained in LB 853. To date the agency has not submitted a deficit request.

As amended by AM 2266, the Child Protection Act is renamed to the Child Protection and Family Safety Act. The bill requires the Department of Health and Human Services to implement an alternative response process initially in five demonstration locations with up to five additional sites added on or after January 1, 2016. Alternative response is a comprehensive assessment of the risk of subsequent child abuse or neglect, family strengths and needs and the provision of necessary services. Alternative response is not to be used for situations where knowing or intentional child abuse or neglect is alleged. The department is required to contract with an independent entity for an evaluation.

This department recently received approval for a Title IV-E waiver. Under the waiver, more flexibility is provided for the use of federal funding, specifically prevention services. This bill conforms to the alternative response portion of the waiver. The department estimates that alternative response will be implemented beginning October 1, 2014, in the five initial locations.

Ongoing training costs are estimated to be \$50,000 (\$25,000 GF and FF) in FY 15 and FY 16. The department anticipates serving 486 families in FY 15 and 1,000 in FY 16. Service costs are estimated to be \$313,762 (\$141,193 GF and \$172,539 FF) in FY 15 and \$646,238 (\$290,807 GF and \$355,431 FF) in FY 16. The average length of service is estimated to be 60 days. The evaluation costs are estimated to be \$540,000 (\$270,000 GF and FF) each year in the first two years. The evaluation costs will continue and increase in future years. The department will also increase funding to the Child Advocacy Centers and family organizations by \$10,000 GF each year to assist with the implementation of alternative response.

The department has indicated that half of the training costs will be paid from federal funds. All other funds will be from General Funds.

Under the IV-E waiver, the department has a set amount of federal funds with certain adjustments such as triggers if more children are served than projected in the waiver. The state may accelerate the drawdown of funds, if the state chooses to do so. The waiver states that waiver funding will be used to serve Title IV-E eligible children in alternative response cases. If alternative response is successful in keeping children out of the child welfare system and maintained safely with their families, over time child welfare costs will be lower. It is unclear why federal funds are not being shown as available for

services for children who qualify as IV-E eligible in the department's fiscal note. In this fiscal note, federal funds are used with 45% from General Funds and 55% from federal funds.

An extensive evaluation is required as a condition of the waiver. The waiver agreement states: "The costs approved for evaluation activities may be charged to title (sic) IV-E administrative costs without cost allocation so that the state may claim a full 50 percent of these costs as Title IV-E administrative costs." The evaluation costs are outside of the cost-neutrality calculation which is a condition of the waiver. It is unclear why federal funds are not being shown as matched for the evaluation. In this fiscal note the fund mix is 50% General and Federal and the costs have been increased to show the projected amount of the evaluation costs in the first two years.

The bill as amended by AM 2397 requires all Department of Health and Human Services case managers, either employed by the Department or a contracting agency, to be trained under one program by a single entity. The intent is to facilitate consistency in training and allow for Title IV-E reimbursement. The single entity can either be the Department or a contractor. The Department is required to create a formal system for measuring and evaluating the quality of the training. Case managers are to complete a formal assessment after initial training. The bill also requires the training to include evidenced-based practices.

The Center on Children, Families and the Law (CCFL) currently provides training for the Department. The Center estimates that the additional costs of incorporating the evidenced-based curriculum and adding the contracted workers currently trained internally by Nebraska Families Collaborative (NFC) would be \$534,804 in FY 15 and \$473,304 in FY 16.

Currently NFC training does not qualify for Title IV-E funding. In this fiscal note, it is assumed the single entity training would qualify. NFC spends approximately \$115,705 on training case managers. The additional costs based on the CCFL estimates, utilization of the NFC training funding and IV-E funding would be \$419,099 (\$104,775 GF and \$314,324 FF) in FY 15 and \$357,800 (\$89,400 GF and \$268,400 FF) in FY 16.