

Revised based on amendments adopted through 4-30-15

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	1,650,945		1,656,526	
CASH FUNDS				
FEDERAL FUNDS	75,231		80,876	
OTHER FUNDS				
TOTAL FUNDS	1,726,176		1,737,402	

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

This bill requires the establishment of family finding services pilots in two or more service areas of the Department of Health and Human Services. The Department will contract with one or more family finding services. A portion of all cases involving state wards who are in foster care or former wards participating in the Bridge to Independence Program shall be referred to the family finding contractors. The Department is required to establish a data collection system. An evaluation by an academic institution is required beginning in the third year of the pilot project. The bill states intent to appropriate \$1.5 million in General Funds for each year of the project along with federal matching funds. The pilot terminates on June 30, 2019.

The bill states legislative intent to appropriate \$1.5 million in General Funds for each year of the pilot project, administrative costs and the evaluation. It is unknown if Title IV-E federal funding will be available. Up to an additional \$1.5 million would be available if it is determined that Title IV-E funding can be used.

The Department will have administrative costs for contract monitoring and oversight of the pilot and evaluation costs totaling \$183,926 in FY 16 and \$213,166 in FY 17. The bill requires pilot projects to be established in two or more service areas. In FY 16, \$1,316,074 would be provided for the family finding contracts. In FY17, \$1,286,834 is provided.

As amended this bill makes changes to the Bridge to Independent Program. It expands coverage of the Bridge to Independence Program to include you who entered into a state-funded or kinship guardianship agreement at age 16. They may choose to participate in the Bridge Program in lieu of an extended guardianship subsidy. The bill also extends Medicaid coverage for a child under a subsidized guardianship or adoption agreement up to 21.

It is assumed 20 young adults would shift from the subsidized guardianship program to Bridge to Independence. The Bridge payment are higher than the subsidy under guardianships; \$442 a month compared to \$760. The annual increase would be \$76,320 General Funds. Two additional Child and Family Services Specialist would also be needed at a cost of \$131,904 (65,952 GF and FF).

Medicaid coverage would also be extended to those between 18 and 21 who are under a guardianship or adoption agreement when the young adult had attained sixteen years of age before the agreement became effective. There are approximately eight youth with guardianships and adoption assistance that would be eligible for Medicaid coverage in FY 16. In FY 17 there would approximately 13. The cost would be \$17,952 (\$8,673 GF and \$9,279 FF) \$29,172 (\$14,248 GF and \$14,924 FF) in FY 17.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 243	AM: 787 & 1045	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 5/1/2015	PHONE: 471-4173
COMMENTS: HHS analysis and estimate of fiscal impact appear reasonable.			

LB⁽¹⁾ 243
AM787 AM1045

FISCAL NOTE

2015

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Mike Mason

Date Prepared:(4) 4-23-15

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	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$402,949		\$388,431	
CASH FUNDS				
FEDERAL FUNDS	\$90,530		\$82,938	
OTHER FUNDS				
TOTAL FUNDS	\$493,480		\$471,369	

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

Explanation of Estimate:

This fiscal note considers the total fiscal impact of LB243 including amendments 787 and 1045.

LB 243 Amendment 787

LB 243 has a fiscal impact on the Department of Health and Human Services (DHHS). Specifically, sections 4, 5, 7, and 8 contain the provisions that impact the department. Section 6 contains the Legislature's intent to allocate \$3,000,000 of state general funds per year through SFY19. Amendment 787 reduces this amount to \$1,500,000.

Section 4 of LB 243 creates a pilot project for family finding services. Section 5 requires a portion of all cases involving state wards in foster care or participating in the Bridge to Independence program be referred to providers of family finding services participating in the pilot project. DHHS estimates that two FTEs will be required to administer this program at a cost of \$116,397 in SFY16 and \$139,676 in SFY17. Funding for these two populations are in two different programs.

Section 7 of LB 243 requires that DHHS establish a data collection system and collect data from participating providers annually. DHHS estimates that this will cost \$50,000 in SFY16.

Section 8 of LB 243 requires that DHHS contract with an academic institution to complete an independent evaluation of the pilot project after the completion of the second year of the program. The University of Nebraska Center on Children, Families, and the Law (CCFL) recommends that the evaluation of the project commence in the first year of the project (FY2015-2016) and provided cost estimates of \$70,176 in SFY16, \$90,266 in SFY17, and \$139,402 for SFY18.

It is assumed that these expenditures will be paid with 100% State General Funds; however, it may be possible to utilize Federal Funds for a portion of the costs. Because amounts paid to provider(s) for this service have not yet been determined it is difficult to calculate what costs would be determined reasonable and allowable under Title IV-E. The Department is currently operating under Title IV-E Waiver capped allocation which limits the amount of IV-E funds the Department is able to claim.

Amendment 1045

Amendment 1045 affects the Division of Children and Family Services by changing the eligibility requirements for the Bridge to Independence program to include young adults (ages 19-21) who entered into a state-funded or kinship guardianship assistance agreement at age 16 or older. At age 19, these young adults are eligible for an extension of state-funded guardianship subsidy until age 21. Based on the current number of 18 year olds receiving this guardianship subsidy, it is estimated that the average enrollment in the Bridge to Independence program will increase by 20 and the number of guardianship subsidies extended would decrease by 20.

This shift of 20 young adults from state-funded guardianship subsidies to the Bridge to Independence program will increase costs. The current average monthly aid payments are \$442 for guardianship subsidy and \$760 for Bridge to Independence. This will result in an estimated cost increase of \$76,320 (\$76,320 GF, \$0 FF) in SFY16 and SFY17. In

addition to these increased aid costs, the Bridge to Independence program would require two additional Child and Family Services Specialist positions. This will result in a cost increase of \$131,904 (\$65,952 GF, \$65,952 FF) in SFY16 and SFY17.

Amendment 1045 also affects the Division of Medicaid & Long-Term Care as Program 348 currently provides Medicaid coverage for a Title IV-E child under a subsidized guardianship agreement through the age of 18. LB 441 would extend Medicaid coverage for an additional 3 years to ages 19-21 for those who had previously reached the age of 16 before entering into the agreement. A Title IV-E child under a subsidized adoption agreement is also currently provided Medicaid through the age of 18 and would have their service extended through ages 19-21 under this bill for those who had previously reached the age of 16 before entering into the agreement.

In SFY14, there was an average of 8 clients who had previously reached the age of 16 before entering into either a Title IV-E subsidized adoption or a Title IV-E subsidized guardianship agreement. At an average cost of \$2,554 per client, the additional years of coverage would cost Program 348 approximately \$20,432 total funds (\$9,871 GF, \$10,561 FF) for 8 clients in SFY16 and \$33,202 total funds (\$16,216 GF, 16,986 FF) for 13 clients in SFY17. An actuarial contractor fee to update the physical health and behavioral health capitation rates would cost \$28,250 total funds (\$14,125 GF, \$14,125 FF) in SFY16.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2015-2016	2016-2017
	15-16	16-17	EXPENDITURES	EXPENDITURES
Children and Family Services Specialist	2	2	\$74,589	\$74,589
DHHS Program Specialist	0.83	1	\$36,910	\$44,292
DHHS Resource Developer – Contract Monitoring	0.83	1	\$28,910	\$34,692
Benefits.....			\$29,428	\$32,187
Operating.....			\$226,891	\$176,087
Travel.....				
Capital Outlay.....				
Aid.....			\$96,752	\$109,522
Capital Improvements.....				
TOTAL.....			\$493,480	\$471,369