

Revised to include an agency fiscal note and provide new information

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				
CASH FUNDS				
FEDERAL FUNDS	4,400,000		5,400,000	
OTHER FUNDS				
TOTAL FUNDS	4,400,000		5,400,000	

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

This bill as amended changes the payment for families qualifying for the Aid to Dependent Children Program from a base amount not to exceed \$300 a month for a two-person family plus an additional \$75 per month for each additional family member to a payment based on 55% of the standard of need. The effective date is 90 days after the session.

This bill increases the payment to ADC families, but does not change the qualifications of the program. From January 2013 to April 2015, the number of families on the program decreased 1,599 families during this period of time. The number of families as of April 2015, is 5,775. This fiscal note assumes caseloads will remain constant at the January Year-to-Date average of 6,200 families. The increase to 55% of the standard of need would increase the average payment by \$72 a month. The increase in costs would be \$4.42 million in FY 16 and \$5.4 million in FY17. In FY 18 and beyond the costs will increase because the standard of need is adjusted every other year. Temporary Assistance to Needy Families funding would cover the costs. The TANF balance as of September 30, 2014 was \$68.9 million. Based on the assumptions used in this fiscal note, the TANF balance is adequate to sustain this level of expenditure until FY 2025.

This bill establishes the Intergovernmental Poverty Task Force. The executive committee of the task force shall consist of the chairpersons of the Health and Human Services Committee, Appropriations Committee and three at-large members of the Legislature. The CEO of the Department of Health and Human Services, the Commissioner of Labor and the Commissioner of Education are non-voting members. Other non-voting members will be: 1) representatives of advocacy groups, 2) academic experts, 3) service providers, 4) workforce development experts, 5) representatives of educational institutions and 6) experts in early childhood education. The Task Force will share, examine and analyze data; study and evaluate effective programs, policies and procedures and create a long-term strategic plan. The Task Force may appoint special committees to advise and assist the Task Force. The Task Force shall submit an annual report to the Governor and the Legislature. The work will be done with current Legislative resources.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 607	AM: 1551	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 5/19/2015	PHONE: 471-4173
COMMENTS: HHS analysis and estimate of fiscal impact appear reasonable.			

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) 5-7-15

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	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	\$4,464,000		\$5,356,800	
OTHER FUNDS				
TOTAL FUNDS	\$4,464,000		\$5,356,800	

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

Explanation of Estimate:

LB 607 AM1551 would increase the amount of Aid to Dependent Children (ADC) cash assistance received by families based on the standard of need (SON). The SON is adjusted every two years with an adjustment to be made by July 1, 2015. The maximum payment level would be based on 55% of the SON. There are also changes made to income disregards. Initial eligibility would include a disregard of 20% of a family's earned income. After eligibility is established, an earned income disregard of 50% would be utilized.

The new SON that will be effective July 1, 2015 has been calculated and based on this, the average payment increase per case is \$72 per month. Using an average monthly number of ADC cases of 6,200, the increased cost of ADC payments would be \$446,400 per month, or \$4,464,000 for 10 months in SFY16 and \$5,356,800 for 12 months in SFY17, all federal funds, assuming the caseload stays the same.

Estimating the SON for July 1, 2017 using the CPI increases from the 2015 increase, the average increase in the payment maximum in 2017, for SFY18 and 19 would be \$10. For 2019, using the same CPI increases, the increase would be \$11, for SFY 20 and 21, also assuming a static caseload.

increased payment costs	
SFY16	\$ 4,464,000
SFY17	\$ 5,356,800
SFY18	\$ 6,100,800
SFY19	\$ 6,100,800
SFY20	\$ 6,919,200
SFY21	\$ 6,919,200

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2015-2016	2016-2017
		15-16	16-17	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					

Travel.....		
Capital Outlay.....		
Aid.....	\$4,464,000	\$5,356,800
Capital Improvements.....		
TOTAL.....	\$4,464,000	\$5,356,800