

Revised to include an agency fiscal note

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	8,322,800		8,322,800	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>8,322,800</b>		<b>8,322,800</b>	

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

This bill changes the payment for families qualifying for the Aid to Dependent Children Program from an 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 a percent of the standard of need. The percentages are: 60% for FY 16 and FY 17; 65% for FY 18 and FY 19 and not less than 70% for FY 20 and thereafter. The operative date is July 1, 2015.

This bill increases the payment to ADC families, but does not change the qualifications of the program. The current payment is \$293 plus \$71 for each additional person. From January 2013 to February 2015, the number of families on the program decreased every month, except for one. The total number of families that decreased by 1,322 families during this period of time. This fiscal note assumes caseloads will remain constant at the Year-to-Date average of 6,200 families. The increase to 60% of the standard of need would increase the average payment by \$112 a month. The annual increase in costs would be \$8,322,800 in FY 16 and FY 17. Temporary Assistance to Needy Families funding would cover the costs. The TANF balance as of September 30, 2014 was \$ 68.9 million. In the following years the costs would increase because of the higher percentage of the standard of need in the bill and because the standard of need is adjusted every other year. In FY 18 and FY 19, the total cost would \$12,127,000. The TANF balance is adequate to sustain this level of expenditure.

**LB<sup>(1)</sup> 89 – Revision 2 FISCAL NOTE**

**2015**

**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) 1-29-15

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	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$8,332,800		\$8,332,800	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$8,332,800		\$8,332,800	

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

**Explanation of Estimate:**

LB 89 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. For fiscal years 2015-16 and 2016-17 the payment level would be based on 60% 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 \$112 per month. Using an average monthly number of ADC cases of 6,200, the increased cost of ADC payments would be \$694,400 per month, \$8,332,800 annually, 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 \$51. For 2019, using the same CPI increases, the increase would be \$54, for SFY 20 and 21, also assuming a static caseload.

increased payment costs	
SFY16	\$ 8,332,800
SFY17	\$ 8,332,800
SFY18	\$ 12,127,200
SFY19	\$ 12,127,200
SFY20	\$ 16,144,800
SFY21	\$ 16,144,800

After LB 89 is fully implemented in SFY21, the Temporary Assistance to Needy Families (TANF) block grant surplus would be depleted, so the potential general fund impact would be \$18.8 million annually. The current annual TANF block grant amount is \$56,833,778, reduced in FFY15 from \$57,513,601, for implementation of the Omaha Tribe's new TANF program.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2015-2016 EXPENDITURES	2016-2017 EXPENDITURES
	15-16	16-17		

Benefits.....		
Operating.....		
Travel.....		
Capital Outlay.....		
Aid.....	\$8,332,800	\$8,332,800
Capital Improvements.....		
<b>TOTAL.....</b>	<b>\$8,332,800</b>	<b>\$8,332,800</b>