

Revised to include an agency response

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			See Below	

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

This bill would move the responsibility for placement and services for status offenders and law violators from the Office of Probation to the Department of Health and Human Services starting on July 1, 2019.

Prior to FY 2014, the Department of Health and Human Services provided placement and services to these youth. This bill would return that responsibility back to HHS beginning on July 1, 2019. The Office of Probation estimated the reduction would be about \$64 million. The Office would retain personnel that are assigned to both juvenile and adult cases and for supervision of children not needing services paid for by HHS. The decrease in funding from the Office of Probation would cover most but not all of the increased cost in the Department of Health and Human Services. HHS estimates costs of approximately \$75 million in general funds beginning in FY 2019. Part of the higher costs are due to the youth who age out of foster care would be eligible for the Bridge to Independence Program which assists with transitional costs.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 927	AM:	AGENCY/POLT. SUB: Supreme Court
REVIEWED BY: Elton Larson	DATE: 2/20/2018	PHONE: (402) 471-4173
COMMENTS: No basis to disagree with Supreme Court estimate of fiscal impact. Supreme Court notes need for an update to fiscal note prior to introducing an A-bill.		

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 Michalski

Date Prepared: 1-11-18

Phone: (5) 471-6719

	<u>FY 2018-2019</u>		<u>FY 2019-2020</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$4,607,068		\$75,197,927	
CASH FUNDS				
FEDERAL FUNDS			\$1,348,004	
OTHER FUNDS				
TOTAL FUNDS	\$4,607,068		\$76,545,931	

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

Explanation of Estimate:

LB 927 transfers youth in the juvenile justice system from the Department of Probation to the Department of Health and Human Services on July 1, 2019. Thus there is no impact to services paid by DHHS in State Fiscal Year 2019. DHHS will be responsible for paying all services required by the youth. DHHS assumes that all youth, regardless of services requiring financial compensation, will be the responsibility of the Department to administer programs for rehabilitation. LB 927, in effect, transfers these youths back to the Division of Children and Family Services that were moved on October 1, 2013.

Costs to DHHS would include all services and staff needed for the program. According to the Department of Probation, youths served and costs for current SFY2018 were in line with the 2 year average and their budget of \$54,463,211. A 2% increase in costs were assumed for SFY2020 above the SFY2019 budget. Total service costs of \$55,552,475 is forecasted for SFY2020.

DHHS will also supervise the case loads for all youth in care. According to Probation, an average of 2,800 youth are served each month. Assuming that this is a rolling number of youth, DHHS assumed that it would need to have a full staff at the time of implementation to accommodate all youth with a case. The total service workers needed assumes a 16:1 ratio of service workers with a 15% vacancy built in to accommodate turnover. Supervisor staff are also included at the ratio which is already in CFS. To accommodate the training needed for the staff, the current contract would need to increase from \$2.3 million per year to \$2.76 million per year (20% above current contract). DHHS acknowledges that staff costs would be accrued in SFY2019 for the training and hiring of personnel prior to implementation. Staff, hiring, and training would occur in quarter four of SFY2019 to accommodate the operational start date of 7/1/2019.

Youth that are placed in the care of DHHS at the onset of their 18th birthday or released from probation would be eligible for Medicaid based on their status of being in Former Foster Care. Youth in the report that were discharged at 19 or in Out-Of-Home Administration at Age 18 were assumed to be the total eligible population. Youth in detention are not eligible for this service and were removed from the Medicaid population (assumed at 24% of the population based on the monthly average OOH youths in detention). Assuming a CAP payment with an 8.43% increase (average increase in blended Child and ADC CAP payments from 2014-2017) and a 2% growth in youth over SFY2016-2017 average youth in the population, total funds for this population would be \$2,565,184 with an assumed federal match rate similar to SFY2018. Staff costs to service the cases assumed 25% would be done by phone (1 hour total time for 93.5 cases) with 1 hour application per case (total cases of 374) in processing time and 4 hours per year of case management time. Total hours of 1,965 at the pay rate would increase the workload by \$33,015 and would be internalized within current staffing.

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2018-2019	2019-2020
	18-19	19-20	EXPENDITURES	EXPENDITURES
Child and Family Services Specialist	50.25	422	\$1,887,422	\$7,549,689
Child and Family Services Specialist Supervisor	8.38	70	\$402,576	\$1,610,305
Case Aid	8.38	70	\$205,852	\$823,409
DHHS Program Specialist	0.5	2	\$22,304	\$89,215
DHHS Service Delivery Administrator I	1.75	14	\$104,501	\$418,003
Benefits.....			\$765,028	\$3,060,113
Operating.....			\$1,219,385	\$4,877,539
Travel.....				
Capital Outlay.....				
Aid.....				\$58,117,659
Capital Improvements.....				
TOTAL.....			\$4,607,068	\$76,545,931

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2018

LB⁽¹⁾ 927

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 2/16/18 Phone: ⁽⁵⁾ 1-4138

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	(64,556,892)	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	(64,556,892)	=====

Explanation of Estimate:

LB927 returns many duties related to juvenile justice to the Department of Health and Human Services (DHHS). Some duties, such as juvenile intake and investigations, would be retained by the Juvenile Division of the Administrative Office of Probation. As a result, General Fund expenditures would decrease effective FY19-20.

Note:

1. Counties currently provide space, operating expenses, equipment and IT services for all adult and juvenile Probation offices. Probation Districts 3 and 4 in Douglas and Lancaster counties have separate Juvenile Probation offices and staff. All other Probation Districts combine adult and juvenile activities in the same offices. A political subdivision fiscal impact was not determined.
2. Personnel retained by Probation:
 - a. Juvenile Probation intake/investigation staff
 - b. Probation staff with job duties that involve both adults and juveniles.
 - c. Probation staff supervising juveniles not needing services that would be paid by DHHS.
3. Expenditures, based on FY2018-19 budget estimate, include:
 - a. \$10,103,681 – Personal services, benefits and operating & travel expenses related to personnel
 - b. \$54,463,211 – Services for juveniles
4. Expenditure estimate is preliminary. Before drafting an A-bill, an updated fiscal note should be prepared.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	=====	=====	=====	=====