

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	500,000		500,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	500,000		500,000	

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

This bill creates the Support for Sex Trafficking Survivors Act. The bill states the intent is to create a statewide multi-systemic response to provide supportive services for victims of sex trafficking and commercial sexual exploitation. The bill creates the Office of Support for Trafficking Survivors within the Department of Health and Human Services, the fifteen-member Support of Trafficking Survivors Advisory Board and the Support for Trafficking Survivors Fund. The Human Trafficking Victim Assistance Fund is renamed to the Human Trafficking Investigation Assistance Fund and the purpose of the fund is changed to reimburse state and local law enforcement for expenses associated with investigations, operations or prosecutions of sex trafficking. The Trafficking Survivors Advisory Board will develop a plan to prevent, identify, and respond to sex trafficking and support the safety, well-being, and economic stability of victims. The Office of Support for Trafficking Survivors will administer a competitive grant program that complies with the plan. Non-profits and federally recognized Indian tribes would be eligible for the grants. The bill states intent to appropriate \$500,000 from the General Fund in FY 2019-20 and FY 2020-21. An evaluation would be required if public or private funding is made available.

The bill states intent to provide \$450,000 each year of the next biennium for the Office of Support for Trafficking Survivors, the advisory board and the grant program. Administrative costs are capped at 20% of the amount available which is \$90,000. Within the 20% administrative cap, up to 5% can be used to reimburse the advisory board's travel expenses which is \$22,500. The bill states the office consists of a program coordinator. The department's fiscal note indicates a staff assistant would be hired. The bill appears to restrict the hiring of personnel to solely a program coordinator. In this fiscal note, it is assumed the full \$22,500 would be used for travel reimbursement for the advisory board. The cost for the program coordinator's salary and benefits would be \$47,358 in FY 2019-20 for nine months and \$63,145 in FY 2020-21 for a full year. Operating costs in FY 2019-20 would be \$8,000. To stay within the capped amount in FY 2020-21, the amount available for operations would be \$4,355. The balance would be used for the grant program. In FY 2019-20 the amount available would be \$372,142 and in FY 2020-21 in FY \$360,000

The independent evaluation study reference in the bill is dependent upon public or private funds being made available. The study would not be done until two years after the grant program is operable. The estimated cost of the study is \$100,000. The cost would not be incurred until FY 2021-22.

The bill states intent to appropriate \$50,000 each year of the biennium to reimburse state and local law enforcement for the cost of sex trafficking investigations.

Technical Note: The bill directs funding to be transferred from the General Fund to the Human Trafficking Victim Assistance Fund and the Human Trafficking Investigations Assistance Fund. General Funds are appropriated outright. The cash fund revenue sources would be those other than General Funds.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 518	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services
(025)		
REVIEWED BY: Joe Wilcox	DATE: 03/04/2019	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Department of Health and Human Services estimate of potential Fiscal Impact to the Agency from LB 518.		

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 1-24-19

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	<u>FY 2019-2020</u>		<u>FY 2020-2021</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$498,367		\$636,988	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$498,367		\$636,988	

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

Explanation of Estimate:

LB 518 creates the Support for Trafficking Survivors Act. This act requires the Department of Health and Human Services (DHHS) and the Division of Children and Family Services (CFS) to provide supportive services for victims of sex trafficking through grants and to establish the Office of Support for Trafficking Survivors and Support for Trafficking Survivors Advisory Board. The Board will award grants from the Survivors Fund and create a state plan for sex trafficking. The Advisory Board is created within the Office of Support. The Office will support the Board, oversee the newly created state plan for trafficking, oversee the grants awarded by the Board, monitor and apply for federal funding, and submit annual reports of the Survivors Fund results and other statistical metrics related to the funds.

LB 518 creates the Support for Trafficking Survivors Fund for funding the administration of the Act. The bill states it is the intent of the Legislature to appropriate \$450,000 from the General Fund to fund the Act in both years of the biennium. The bill stipulates that no more than 20% (\$90,000) can go be used for administration of this Act within the Office of Support. This includes the provision that no more than 5% (\$22,500) can be used for reimbursement of board member travel and other expenses. These expenses are included in the operating expenses listed in the table below. It is assumed the remaining 15% of total appropriation (\$67,500) would be available for administration.

To meet the requirements of the Office of Support, DHHS will need to hire 2 support staff to meet the requirements of the Office of Support. It is assumed that these staff would be hired on October 1, 2019. If the department requires other staff to assist the office, it is assumed that those costs would be absorbed by the Department.

An independent evaluation of the state plan created by the Board is also required by LB 518 in SFY 2021. DHHS will request this outside report at an estimated amount of \$100,000. The language in the bill indicates that the study will come from either private or public funding. It is assumed, for the purposes of this fiscal note, that it will be paid from 100% General Funds.

The total administration cost in SFY 2020 is \$138,367 and \$176,988 in SFY 2021 (including travel reimbursement costs and excluding the cost of a study). If it is the intent of the bill to provide \$360,000 in grant funding, all additional costs would be required to be paid by General Funds. The bill provides \$90,000 for administration of the intended \$450,000 appropriation and the additional \$48,367 in SFY 2020 and \$86,988 in SFY 2021 for administering the Board, Fund, and Office would be General Funds.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2019-2020	2020-2021
	19-20	20-21	EXPENDITURES	EXPENDITURES
DHHS Program Specialist	0.75	1	\$35,128	\$46,837
Staff Assistant II	0.75	1	\$27,790	\$37,053

Benefits.....			\$24,463	\$32,616
Operating.....			\$50,986	\$60,481
Travel.....				
Capital Outlay.....				\$100,000
Aid.....			\$360,000	\$360,000
Capital Improvements.....				
TOTAL.....			\$498,367	\$636,988