

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

This bill raises the asset limits for eligibility for Aid to Dependent Children maintenance payment and the child care subsidy to \$25,000.

In the last six months, an average of 17 families were closed or denied coverage in the ADC Program due to excess assets. Over the course of a year, 204 families would have received assistance or continued on the program. With an average payment of \$322 a month, the additional aid costs would be \$65,688 a month or \$788,256 (\$157,651 GF and \$630,605 FF) in FY 15. Assuming there is a gradual increase in families qualifying under this bill and an implementation date of September 2013, the costs in FY 14 would be \$394,128 (\$78,825 GF and \$315,303 FF). The Department of Health and Human Services fiscal note assumes there may be an equal number of families who have not applied but would if the asset limits were higher. This would increase the annual cost of the aid to \$1,578,077 (\$315,615 GF and \$1,262,462 FF) in FY 15.

Recipients of ADC automatically qualify for Medicaid. The parents in families qualifying for ADC would be covered under the provisions of this bill until the requirements of the Affordable Care Act are implemented on January 1, 2014. Beginning on January 1, 2014, the resource limits in Medicaid are eliminated. The average monthly cost for ADC adults is \$448. The cost for four months of coverage for the parents in qualifying families would be \$185,284 (\$83,377 GF and \$101,907 FF). The HHS fiscal note assumes a higher number of eligible. The costs in their fiscal note are \$731,396 (\$402,268 GF and \$329,128 FF).

In the last six months, the number of child care cases that were closed or denied due to resources was 16 a month or 192 a year. The average cost per case is \$414. Costs would be \$953,856 GF in FY 15. Assuming a gradual phase-in of those qualifying and an implementation date of September 2013, the FY 14 would be \$476,928 GF. The HHS fiscal note assumes there would be an equal number of those who did not apply because of the asset limits. The projected costs by HHS are \$1,907,942 GF annually.

Staff time would be saved by not having to check resources for most cases, but the number of cases would increase or open cases would remain qualified longer. Additional eligibility staff may be needed, if the reduction in time spent checking resources is less than the workload created by the larger number of clients.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 430	AM:	AGENCY/POLT. SUB: DHHS	
REVIEWED BY: Elton Larson		DATE: 2/19/2013	PHONE: 471-4173
COMMENTS: DHHS analysis and estimates 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) Willard Bouwens

Date Prepared:(4) 2-19-13

Phone: (5) 471-8072

	<b>FY 2013-2014</b>		<b>FY 2014-2015</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$1,509,664		\$2,361,072	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$1,102,257		\$1,399,976	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$2,611,921		\$3,761,048	

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

**Explanation of Estimate:**

The Department is unable to determine the exact fiscal impact of LB 430. There is no data available to calculate the number of families with large liquid resources, or non-liquid resources, that would have a low enough income to be eligible for the ADC, Medicaid, and Child care Programs, as most of these people would not have applied for assistance in the past. In addition to increases in program costs, any significant increase in families that would become eligible for benefits with LB 430 would likely result in a need for additional staff to handle the higher caseloads, however the exact amount of this need is unknown.

Using the following assumptions: a monthly average of 17 ADC cases have been closed or denied due to excess resources during the last six months. Annually this would translate to 204 cases. Doubling this amount to account for those individuals that have never tried to apply due to the resource limits, would result in 408 additional cases in a year. A monthly average of 16 Childcare cases closed or denied translates into 384 additional cases. Four Social Services Workers (SSW) would be required to handle the increased caseload. Assuming the increased caseload would not been seen immediately, the SSWs would only be required for the second half of SFY14, and the entire year of SFY15. The total staffing costs are \$137,513 (\$68,757 FF, \$68,756 GF) for SFY14, and \$275,027 (\$137,514 FF, \$137,513 GF) for SFY15. Any caseload increase greater than this would result in the need for additional staff.

With 408 additional ADC cases and an average monthly ADC grant amount of \$322.32, ADC aid expenditures would increase \$131,506.56 per month, or \$1,578,078.72 (\$1,262,462.98 FF, \$315,615.74 GF) annually. The ADC adults would also have Medicaid costs until the January 1, 2014 implementation of the Affordable Care Act (ACA). 408 adults with an average monthly Medicaid cost of \$448.16 per month, would cost \$731,397.12 (\$402,268.42 FF, \$329,128.70 GF) for 4 months in SFY14, and have no additional cost in SFY15. An additional 384 childcare cases at an average monthly benefit of \$414.05 per month would result in an increase in childcare aid expenditures of \$158,995.20 per month or \$1,907,942.40 GF annually. Assume that aid costs for the first year, SFY14, would be half this amount, as the resource limits would not be removed until September 2013, and it is not expected that all eligible clients will immediately apply for benefits.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2013-2014	2014-2015
		13-14	14-15	EXPENDITURES	EXPENDITURES
Social Services Worker		4	4	\$66,367	\$132,735
Benefits.....				26,547	53,094
Operating.....				44,599	89,198

Travel.....		
Capital Outlay.....		
Aid.....	2,474,408	3,486,021
Capital Improvements.....		
<b>TOTAL.....</b>	<b>\$2,611,921</b>	<b>\$3,761,048</b>