

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	2,980,184		2,980,184	
CASH FUNDS				
FEDERAL FUNDS	6,633,314		6,633,314	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>9,613,498</b>		<b>9,613,498</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 14 and FY 15; 65% for FY 16 and FY 17 and not less than 70% for FY 18 and thereafter. The operative date is July 1, 2013.

This bill increases the payment to ADC families, but does not change the qualifications of the program. In December 2012, there were 7,385 families receiving assistance. The increase to 60% of the standard of need would increase the average payment by \$108 a month. The annual increase in costs would be \$9,613,498 (\$2,980,184 GF and \$6,633,314 FF) in FY 14 and FY 15. In the following years the costs would increase because of the higher percentage of the standard of need that would apply and because the standard of need is adjusted every other year.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 508	AM:	AGENCY/POLT. SUB: DHHS	
REVIEWED BY: Elton Larson		DATE: 2/19/2013	PHONE: 471-4173
COMMENTS: Concur.			

**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) 2-15-13

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	<u>FY 2013-2014</u>		<u>FY 2014-2015</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$2,980,184		\$2,980,184	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	6,633,314		6,633,314	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	<b>\$9,613,498</b>		<b>\$9,613,498</b>	

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

**Explanation of Estimate:**

LB 508 increases the maximum ADC payment to 60% of the Standard of Need (SON) for SFY 14 and 15, 65% of the SON SFY 16 and 17, and 70% of SON SFY 18 and beyond. Changing the payment maximum to 60% of the SON for each household size results in an average payment increase of \$108.48. In December 2012, there were 7,385 ADC cases, so applying the average increase to this caseload would result in a monthly increase in cost of \$801,125. If the caseload remains at that level, the annual amount would be \$9,613,498. To account for the fact that there are cases that are paid for with a general/federal fund mix, and those that are paid for with 100% general funds, the fund mix that was seen in SFY 12 spending is applied, 31% GF and 69% FF. The estimated cost in SFY 14 and 15 is \$2,980,184 GF and \$6,633,314 FF. Costs beyond the first two years would be significantly higher due to both the percentage increase of the SON used and the increase in the SON that occurs every two years, as required by state statute 43-513. Historically this increase is an average of \$46 per case.

Four bills introduced this session (LB 236, LB 368, LB 555, and LB 508) contain new appropriations of TANF block grant funds totaling \$7,683,314 in SFY14 and \$8,683,314 in SFY15. Obligations above the full annual TANF Block Grant are currently being expended. Obligations above the annual TANF Block Grant are met by drawing down TANF rainy day funds. If these bills are enacted, it is estimated the TANF block grant and balances will be depleted by June 30, 2015. This will result in the need for increased General Fund appropriations of \$5,444,204 for FY2015-16 and \$26,380,603 for FY2016-17 to finance TANF programs.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2013-2014	2014-2015
	POSITION TITLE	13-14	14-15	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$9,613,498	\$9,613,498
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$9,613,498</b>	<b>\$9,613,498</b>