

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2019-20</b>		<b>FY 2020-21</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
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 creates the Nebraska Family First Act. Parts of bill conform state statute to the requirements of the Federal Family First Prevention Act. The bill expands eligibility for services to: 1) candidates for foster care who can remain safely at home or in a kinship placement; 2) youth in foster care who are pregnant or parenting 3) children/youth at risk of an adoption or guardianship disruption or dissolution; 4) children with an open juvenile court proceeding who has not been removed from their homes; 5) children with a non-court involved case or alternative response case; 5) children with a juvenile court case that closed in the last six months; and 6) children who are victims or are at risk of becoming of victim of sex trafficking. A written prevention plan is required. Evidence-based practices in conformance with the federal act must be developed and provided. The bill requires the establishment of a kinship navigator program. The Family Finding pilot project is change to a permanent statewide program. The bill directs the Department of Health and Human Services to submit a state plan by October 15, 2019. An annual report to the Legislature is required.

According the Department of Health and Human Services, there are provisions that exceed federal law. One area where the language differs from the federal law is the eligibility for prevention services. The federal law covers the following children and families: children identified as safe to remain safely at home or in kinship placement with receipt of services, children in foster care who are parenting, or parents or caregivers where services are needed to prevent entry into care. These categories are broad and it unclear if the categories in the bill fall within the broad federal categories. Two categories that are unlikely to fall outside the federal categories are juveniles with a court case closed in the last six months and children who are at risk for becoming a victim of sex trafficking. If the categories in the bill fit within the federal requirements, the additional costs would be match with 54% federal funding for services and 50% for administrative costs. If they do not, state General Funds would be needed to cover the costs. The department’s fiscal note indicates the costs would be substantial.

The department’s fiscal note states there are provisions that conflict with the federal law. Examples provided in addition to those noted above are: 1) the addition of ‘best practices” to services, 2) requirements of professionals who provide the services, 3) the service plan requirements for pregnant and parenting youth, 4) the definition of assessments and 5) the family finding expansion. Many of these provisions resemble the federal law but do not align exactly. The differences according to the department could result in federal penalties. The current Title IV-E funding is \$33.5 million.

The requirement for initial assessment workers to have a bachelor’s degree in social work or five years of experience could make it difficult to fill positons. The average Children and Family Specialist has 4.1 years of experience. Delays in filling positions or vacancies could result in increased costs as a result of delays the work on cases.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 328 AM:	AGENCY/POLT. SUB: Department of Health and Human Services (DHHS)	
REVIEWED BY: Elton Larson	DATE: 3/6/2019	PHONE: (402) 471-4173
COMMENTS: DHHS estimate of fiscal impact to the agency appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 328 AM:	AGENCY/POLT. SUB: Supreme Court	
REVIEWED BY: Elton Larson	DATE: 3/6/2019	PHONE: (402) 471-4173
COMMENTS: Supreme Court analysis and estimate of fiscal impact to the agency appear reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 328 AM:	AGENCY/POLT. SUB: Nebraska State Patrol (NSP)	
REVIEWED BY: Elton Larson	DATE: 2/6/2019	PHONE: (402) 471-4173
COMMENTS: At \$45.25 per fingerprint based check for up to 500 checks, NSP would receive up to \$22,625 in Cash Fund revenue annually.		

**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 3-5-19

Phone: (5) 471-6719

	<u>FY 2019-2020</u>		<u>FY 2020-2021</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
<b>GENERAL FUNDS</b>	\$35,811,432		\$45,923,433	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$18,859			
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$35,830,291		\$45,923,433	

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

**Explanation of Estimate:**

LB 328 requires the Division of Children and Families Services (CFS) of the Department of Health and Human Services (DHHS) to adopt the Nebraska Family First Act. This act attempts to bring Nebraska into compliance with the Family First Prevention Services Act (FFPSA) and has additional language not included in FFPSA. CFS is fully prepared to come into compliance with FFPSA. To come into compliance with FFPSA, CFS does not anticipate needing additional funding at this time other than rules and regulations changes that will be absorbed by current staff.

The following fiscal impact for LB 328 is due to requirements that are outside of FFPSA. If CFS were to complete all sections described in LB 328, the fiscal impact described in the below sections would be the added cost to CFS.

This bill has several sections that come in conflict with federal law. This could put the Federal IV-E funding at risk. Total for IV-E funds in FFY 2019 is \$33,543,529.

Several portions of the bill open DHHS to additional costs.

- 1) The bill requires CFS to contract with providers to create a full array of services statewide. This is unclear about the size and scope of services. Between January and December 2018, there were 10,331 intakes accepted for traditional response assessment. Of these intakes, 3,046 resulted in an ongoing case. For LB 328, DHHS is assuming that the remaining 7,285 other cases would require 4 hours of work to create a prevention plan and offer community based services for each case if needed.
- 2) The bill increases the population of candidates for foster care to include a child who is a victim of or is at risk of becoming a victim of sex trafficking or labor trafficking. A recent internal analysis by the Foster Care Review Office expected an average of 450 more cases would be seen as at risk for youth who are or have been involved in the Child Welfare and Juvenile Justice System. In 2018, there were 1,724 law enforcement only accepted reports of abuse and neglect which could be viewed as at risk for trafficking. Other populations that could be labeled "at risk" for trafficking based on the 2018 Kids Count Report are Probation Youth in Out-of-Home Care (2,184 total), Youth in Juvenile Detention (1,614), Children experiencing homelessness (1,546), Youth at risk of homelessness (793), YRTC youth Admitted (172), Unaccompanied Homeless children (46), and Children from Immigrant families in which parents are not US Citizens (28,000 estimated with CFS assuming that 5% of the population or 1,400 would be at risk). The total of this population would be approximately 9,929 who could receive additional services based on trafficking. DHHS assumes that this population would be referred for an initial assessment with potential ongoing case management and services for each case.
- 3) The bill also increases the population of candidates for foster care to include children whose juvenile court proceedings have closed within the past six months. Per the fiscal year 2018 Juvenile Probation Report, 3,656 youths were discharged from probation with 5% of those youths being 19 years old. With the language within this bill, this would require CFS to continue to provide services for up to six months

post court case closure for 3,473 youth. In calendar year 2018, 2,811 3a juvenile court involved cases closed. CFS would provide case management for an estimated 95% (similar to probation's number above 19 years of age) for 2,670 youth. CFS assumes a case ratio of 30 cases for each new social service worker for this population.

For all new cases and assessments that would be managed by CFS, the Department would need to hire 353 Child and Family Services Specialists, 59 Child and Family Services Specialist Supervisors, 162 Case Aids, 10 Social Services Unit Managers, and 3 DHHS Administrator I. CFS will also need to hire 4 DHHS Program Specialists to manage new policy and regulations for the new populations. DHHS assumes an October 1, 2019 hire date. Administration funding is anticipated at 100% General Funds due to DHHS already maxing out IV-E for Administration.

LB 328 requires DHHS to provide a full array of placement services including: family-based treatment facility for substance abuse; behavioral health residential treatment; prenatal, postpartum, or parenting support for parenting foster children; and children who are at-risk of becoming a victim of sex trafficking. A 48 bed facility in Indiana with 48 beds for Private Residential Treatment (with on-site nursing, behavioral health and supportive services) has an annual operating cost of \$5.4 million (this is included in the operating table listed below). This type of facility would be comparable to the requirements for LB 328. This does not include the upfront building cost of such a facility. This facility would also not be eligible for federal funding.

LB 328 requires all 'initial assessment' worker to have a bachelor's degree in social work or five years employment experience at the department in protective services. The 5 year work experience may 'grandfather' in some current employees, but with any turnover, positions would not be able to be filled timely. According to the Annual Case Load Report submitted to the Legislature, CFS has an average tenure of CFS Specialists of 4.1 years. None of these staff would meet the 5 year experience requirement. According to the 2019 APSR: CFS has 26 staff with a Bachelors of Social Work and 4 with a Masters of Social Work. CFS would not be able to staff accordingly with this new requirement. New staffing listed in the section above do not include replacing staff who do not have the required education or work experience required in LB 328. CFS could potentially need to find additional roles for these staff and could have a further increase in staffing costs.

There are several sections that require training and IT capital investments. Below is the breakdown of these costs. All are assumed to be in SFY 2020.

- 1) NFocus Changes for tracking services and updating a service array: \$31,095 (50/50 GF and FF) due to 426 hours of Business and Technical Analyst hours.
- 2) CFS would need to create a training for workers. CCFL charges \$276 per hour. These trainings would be completed with an hour long training course. To train all the employees, it would take approximately 24 classes and the total cost would be \$6,624 (50/50 GF and FF).

LB 328 will require a major change to CFS regulations. DHHS will absorb the following estimated costs .

Title	Hours	Hourly Cost	Absorbed Cost
Director	8	72.115	\$ 577
Deputy Director	8	51.923	\$ 415
Administrator I	8	29.354	\$ 235
Program Specialist	16	21.466	\$ 343
Program Analyst	32	20.869	\$ 668
Attorney III	60	32.213	\$ 1,933
Total Costs	132		\$ 4,171

**PERSONAL SERVICES:**

POSITION TITLE	NUMBER OF POSITIONS		2019-2020	2020-2021
	19-20	20-21	EXPENDITURES	EXPENDITURES
Child and Family Services Specialist	264.75	353	\$10,441,443	\$13,921,925
Child and Family Services Specialist Supervisor	44.25	59	\$2,233,443	\$2,977,924
Case Aid	121.5	162	\$3,135,750	\$4,181,000
Social Services Unit Manager	7.5	10	\$406,942	\$542,589
DHHS Administrator I	2.25	3	\$145,721	\$194,295
DHHS Program Specialist	3	4	\$140,512	\$187,350
Benefits.....			\$6,416,681	\$8,555,577
Operating.....			\$12,878,704	\$15,362,773
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....			\$31,095	
<b>TOTAL.....</b>			<b>\$35,830,291</b>	<b>\$45,923,433</b>

Please complete ALL (5) blanks in the first three lines.

**2019**

**LB<sup>(1)</sup> 328**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> 05 Supreme Court

Prepared by: <sup>(3)</sup> Eric Asboe Date Prepared: <sup>(4)</sup> 3/5/19 Phone: <sup>(5)</sup> 1-4138

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

LB328 will require judicial education regarding the statute changes and the working relationship with the Department of Health and Human Services. Although there is the potential for an impact on judicial workload through increased hearings, at this time, any impact is not estimated to be significant. No additional resources required at this time.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

**2019**

**LB<sup>(1)</sup> 328**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska State Patrol

Prepared by: <sup>(3)</sup> Carol Aversman Date Prepared: <sup>(4)</sup> 1-27-2019 Phone: <sup>(5)</sup> 402-471-4545

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

The State Patrol assumes that there will be no fiscal impact from this bill. This is based upon the assumption that the number of fingerprint based checks will be less than 500.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>