

PREPARED BY: Liz Hruska
 DATE PREPARED: January 28, 2022
 PHONE: 402-471-0053

LB 1164

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

This bill states legislative intent for the Department of Health and Human Services to implement 15% rate increases for all child welfare services in Program 354 beginning on July 1, 2022. The increases are in addition to other rate increases provided by law. The services are: group home services, out-of-home care, out-of-home maintenance, agency-supported foster care, emergency shelter care, agency-supported respite care, drug testing, in-home family support, out-of-home family support, supervised visitation, in-home safety, travel time and distance, intensive family preservation and intensive family reunification services. The bill contains the emergency clause.

The bill states legislative intent to fund the 15% rate increases in FY 2023. It is assumed the new rates continue and be part of the base for FY 2024. The cost for the rate increases for the services outlined in the bill in FY 2023 and FY 2024 would be \$13,566,891 (\$12,979,679 GF and \$587,212 FF).

Payments for Bridge to Independence stipends and adoption and guardianship subsidies are tied to child welfare service rates. The bill does not authorize increases in these programs. The cost to include these payments would be \$9,191,282 (\$5,020,732 GF and \$4,170,550 FF) in FY 2023 and FY 2024.

The Governor has recommended using \$15,345,786 in American Rescue Plan Amendment (ARPA) funding for rate increases for a limited number of child welfare services. The Governor's recommendation has not been acted upon by the Legislature. For the purposes of this fiscal note, it is assumed the increases are in addition to the Governor's recommendation.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	1164	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services
REVIEWED BY:	Ann Linneman	DATE:	1-27-2022
		PHONE:	(402) 471-4180
COMMENTS: No basis to disagree with the Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact.			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) John Meals

Date Prepared 1-27-2022

Phone: (5) 471-6719

	<u>FY 2022-2023</u>		<u>FY 2023-2024</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$ 18,000,403		\$ 17,998,759	
CASH FUNDS				
FEDERAL FUNDS	\$ 4,757,762		\$ 4,759,406	
OTHER FUNDS				
TOTAL FUNDS	\$ 22,758,165	\$ 0	\$ 22,758,165	\$ 0

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

Explanation of Estimate:

LB1164 requires the Department of Health and Human Services to implement a 15 percent rate increase for all child welfare service providers by July 2022. It is assumed that the 15 percent increase would be above the previously approved 2% rate increase that was approved in 2021. Services include both in-home and out-of-home care services, drug testing and respite care. The implementation of a 15 percent rate increase for the child welfare service type of out-of-home maintenance will result in a proportionate increase in payments of Bridge to Independence stipends and Adoption and Guardianship subsidies for the Division of Children and Family Services.

The increased expenditures would be \$22,758,165 in FY2023 and FY 2024 and would need to become a part of the Program 354 and 359 budgets in the future. The increase of costs of services ineligible for IV-E funding is \$14,533,858 and would be paid with general funds. Approximately, \$8,224,307 of increased expenditures would meet IV-E eligibility requirements. Using a Federal Medical Assistance Percentage (FMAP) blended rate of 57.85%, the amount of Federal Funds (FF) is \$4,757,762, and General Funds (GF) would be \$3,466,545 in SFY 2023. The estimated FMAP rate in SFY 2024 is 57.87%. The FF component for SFY 2024 would be \$4,759,406 and the GF component would be \$3,464,901.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2022-2023	2023-2024
		22-23	23-24	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....				\$22,758,165	\$22,758,165
Capital Improvements.....					
TOTAL.....				\$22,758,165	\$22,758,165