

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	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 eliminates the termination date of June 30, 2025 for Neb. Rev. Stat. § 83-1216.02 which provides that the Department of Health and Human Services (DHHS) prioritize categories of individuals for reception of certain day services for developmental disabilities. In addition to keeping priority levels in place the bill would require DHHS to continue to submit reports to the Legislature on the number of individuals waiting for services and net additional resources needed to provide such services.

DHHS indicates the current biennial budget includes funding to cover 143 eligible applicants for entitlement services as outlined in the current law. Without LB 1016, it is expected that the agency's budget would be reduced by the amount for funding for these individuals' services starting in FY26. With LB 1016, it is expected that the agency's budget would remain the same.

The DHHS estimate assumes that the existing funding for this provision is deducted from their base appropriation. The agency's estimate uses 156 applicants, which is an average of data from the past 4 years and more applicants than the agency currently has funding for. The average cost per person of \$25,504 therefore DHHS estimates needing \$3,978,571 in aid to cover a full fiscal year, represented in FY26. The cost for FY25 represents serving an additional 13 individuals which is the difference between what was included in the budget and the estimated applicants using prior years data.

The fund mix reflects the FMAP, Federal Medical Assistance Percentage which is 57.52% Federal Funds and 42.48% General Funds.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>				
LB:	1016	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman	DATE:	2-14-2024	PHONE: (402) 471-4180
COMMENTS: Concur with the Nebraska Department of Health & Human Services' assessment 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 2-13-2024

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$139,946	\$0	\$1,690,097	\$0
<b>CASH FUNDS</b>	\$0	\$0	\$0	\$0
<b>FEDERAL FUNDS</b>	\$191,601	\$0	\$2,288,474	\$0
<b>OTHER FUNDS</b>	\$0	\$0	\$0	\$0
<b>TOTAL FUNDS</b>	\$331,547	\$0	\$3,978,571	\$0

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

**Explanation of Estimate:**

LB1016 advised to amend current state law section 83-1216.02. Currently, state law (Neb. Rev. Stat. 83-1216.02) requires DHHS to provide services comparable to the day services available under the Home and Community Based Services (HCBS) waiver to those who are high school graduates, age 21 and older. The current law sunsets these entitlement services on June 30, 2025.

LB1016 removes the sunset clause (termination date) and results in the prioritization of funding indefinitely. Removing the termination date would create an obligation to prioritize funding entitlement services for graduates over all other categories of eligible applicants – including Priority 1 applicants who have demonstrated emergent health and safety needs.

Additionally, the reporting requirements for the Division of Developmentally Disabled (DDD) regarding the DD Registry, will require the Division to continue to submit reports to the Legislature regarding the number of individuals needing services and the net additional resources necessary to provide services. While creating a new reporting requirement past the original termination date, this reporting is already being completed on an annual basis and does not constitute new or different work.

The current FY24-25 biennial budget includes appropriations to cover the projected 143 eligible applicants for the entitlement services as outlined in the current law. Based on the previous 4 years of data, an average of 156 applicants are eligible for this service each year. The current average annual cost of this service is \$25,503.66 per participant. The projected annual cost to serve an additional 13 participants in fiscal year 2025 is \$331,547, \$191,601 in federal funds and \$139,946 in state funds. The projected annual cost to serve 156 participants in fiscal year 2026 is \$3,978,571, \$2,288,474 in federal funds and \$1,690,097 in state funds.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2024-2025 EXPENDITURES	2025-2026 EXPENDITURES
	POSITION TITLE	24-25		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$331,547	\$3,978,571
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$331,547</b>	<b>\$3,978,571</b>