

PREPARED BY: Liz Hruska  
 DATE PREPARED: April 05, 2012  
 PHONE: 471-0053

**LB 825**

Revision: 02

# FISCAL NOTE

## LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to include an agency fiscal note

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	1,650,000		1,650,000	
CASH FUNDS				
FEDERAL FUNDS	1,350,000		1,350,000	
OTHER FUNDS				
TOTAL FUNDS	3,000,000		3,000,000	

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill as amended requires the Department of Health and Human Services to staff local offices that were in existence on January 1, 2012. The department shall determine the number of hours the office are open. The bill also requires dedicated caseworkers to assist with applications for complex cases. The bill requires that the department employs a minimum of eight community support specialists. The department is required to contract with community-based organizations to allow caseworkers to work at the community-based organizations offices.

In this fiscal note, it is assumed that eight community support workers, 36 social service workers, 18 case aides and 6 supervisors would fulfill the requirements provided for in the bill. The cost would be \$3,000,000 (\$1,650,000 GF and \$1,350,000 FF) in FY 13 and FY 14.

**LB<sup>(1)</sup> 0825**  
**ER272 AM2722**

**FISCAL NOTE**

**2012**

**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) April 5, 2012

Phone: (5) 471-8072

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$4,103,562		\$4,083,679	
CASH FUNDS				
FEDERAL FUNDS	\$2,882,293		\$2,865,356	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$6,985,855</b>		<b>\$6,949,035</b>	

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

**Explanation of Estimate:**

AM2722, an amendment to ER272 (LB825), would strike sections 7 to 12 of ER272. This would still leave in effect provisions of the ER272 requiring that the Department of Health and Human Services (DHHS) staff existing local offices (those offices that existed on January 1, 2012) to provide in-person services to clients. The bill would also require that DHHS employ, at a minimum, eight community support specialists and enter into contracts with community-based organizations. The contracts would allow DHHS to keep caseworkers present at specified times in community-based organizations. The contracts would also allow community-based organizations to provide information relating to economic assistance programs, provide outreach, assist clients with scheduling appointments, and assist clients with organization of information for applications and renewals. To provide client support within Call Centers eight Social Service Workers would be needed as well as one Program Specialist position to assist with the community contracts. Funds would also be required for computers, etc. for client use.

ER272 would require Department to staff twenty-eight (28) offices to meet the requirements of the bill. The Department estimates that, in order to provide adequate staff within the twenty-eight (28) offices, it will require the addition of fifty-six (56) Social Service Workers (SSW), twenty-eight (28) Case Aides, and eight (8) Social Services Supervisors. This fiscal note assumes that hiring would need to begin by July 1, 2012 in order to meet the September 1, 2012 deadline of the bill. The estimated fiscal impact for these staff would be \$5,131,042 for FY13 (\$2,770,763 GF, \$2,360,279 FF) and \$5,131,042 for FY14 (\$2,770,763 GF, \$2,360,279 FF).

ER272 would require the addition of eight (8) Social Service Workers in the Call Centers to assist clients. The estimated fiscal impact for these staff would be \$475,414 for FY13 (\$256,724 GF, \$218,690 FF) and \$475,414 for FY14 (\$256,724 GF, \$218,690 FF).

ER272 also specifies that at least eight (8) Community Support Specialist positions be created to act as liaisons between DHHS and community based organizations. The estimated cost for these positions would be \$546,712 for FY13 (\$295,224 GF, \$251,488 FF) and \$546,712 for FY14 (\$295,224 GF, \$251,488 FF).

ER272 would also require one (1) DHHS Program Specialist positions act as liaison between DHHS and community based organizations, monitor contracts, and assist with preparation of reports. The estimated cost for this positions would be \$75,867 for FY13 (\$40,968 GF, \$34,899 FF) and \$75,867 for FY14 (\$40,968 GF, \$34,899 FF).

ER272 provides that DHHS enter into contracts with community-based organizations to allow caseworkers to be present and allow the community-based organization to provide assistance with client applications. It is

assumed that any one organization would have about 300 applications per month. If the Department were to contract with an organization the estimated cost per contract would be \$36,000 per year (capped at this amount). Assuming that contracts with twenty (20) such community-based organizations were established the estimated annual cost for the contracts would be \$720,000 (GF) per year.

In order to equip twenty-eight (28) offices "...with a reasonable number of computers, printers, scanners, and telephones for client use" the estimated cost would be \$36,820 (\$19,883 GF, \$16,937 FF) for FY13.

The total estimated fiscal impact of ER272 would be \$6,985,855 for FY13 (\$4,103,562 GF, \$2,882,293 FF) and \$6,949,035 for FY14 (\$4,083,679 GF, \$2,865,356 FF) due to the remaining sections of ER272.

AM2722 strikes the sections of ER272 that had the potential to significantly increase Medicaid and CHIP populations due to the provisions of ER272 which called for "...selection and utilization of the least burdensome and least redundant verification procedures for recipients that are allowed under federal law for the medical assistance program...". The fiscal impact of those provisions was unknown but AM2722 removes the potential fiscal impact that may have resulted if those sections had been retained.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
Social Services Worker	56	56	\$1,735,086	\$1,735,086
Case Aide	28	28	\$610,297	\$610,297
Social Services Supervisor	8	8	\$329,821	\$329,821
C72172 Social Services Worker (Call Centers)	8	8	\$247,869	\$247,869
C72190 Community Support Specialist	8	8	\$285,043	\$285,043
C73210 DHHS Program Specialist	1	1	\$39,555	\$39,555
Benefits.....			\$1,299,070	\$1,299,070
Operating.(Includes contracts).....			\$2,402,294	\$2,402,294
Travel.....				
Capital Outlay.....			\$36,820	
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$6,985,855</b>	<b>\$6,949,035</b>