

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	8,526,798		11,369,064	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	8,526,798		11,369,064	

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

This bill increases the income eligibility requirements for families qualifying for the Child Care Subsidy Program from 120% of federal poverty guidelines to 185%.

Prior to July 2002, the income limit for the child care subsidy was 185% of federal poverty guidelines. At the time, approximately 47% of the children receiving the subsidy in the Low-Income Sliding Fee group were in families with incomes between 120% and 185. Currently there are 1,994 in the Low-Income Sliding Fee group. Using the same ratio as before, an additional 2,249 children would be eligible of the child care subsidy. The average monthly cost for the Low-Income Sliding Fee group is \$413 a month. The annual cost would be \$11,369,064 in FY 15. For 9 months in FY 14, the cost would be \$8,526,798. The federal Child Care Block Grant is a capped amount which is fully utilized. All additional costs are from General Funds.

Although it is difficult to project the number of families who would both qualify and use the child care subsidy, a review of the 2011 census report indicates that a larger pool of families potentially could be eligible. For this reason, the Department of Health and Human Services assumptions and estimates appear to be reasonable.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 625	AM:	AGENCY/POLT. SUB: DHHS	
REVIEWED BY: Elton Larson		DATE: 2/22/2013	PHONE: 471-4173
COMMENTS: DHHS analysis and fiscal impact estimate of LB 625 appear reasonable.			

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) 2-21-13

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	<u>FY 2013-2014</u>		<u>FY 2014-2015</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$11,142,000		\$11,142,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$11,142,000		\$11,142,000	

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

Explanation of Estimate:

The eligibility group in the Nebraska Child Care program that would be affected by LB625 is the Low Income Sliding Fee (LC) eligibility group which currently has an income limitation set at 120% of the Federal Poverty level. LB625 would raise the maximum income level for this group to 185% of the Federal Poverty level.

In December 2001 (the last date with available income level data) there were approximately 5,057 participants in the LC group with income levels less than or equal to 185% of Federal Poverty. Somewhat less than half (47%) of the 5,057 participants were below 120% of Federal Poverty Level at that time.

The LC group currently is averaging 1,994 participants per month for SFY13. For this estimate it is assumed that this number of participants, who are currently at 120% or below Federal Poverty, would still represent about 47% of the total number of participants at 185% or below. Given this assumption the estimated total number of participants would be approximately (1,994 / 0.47) or 4,243. The estimated number of participants who would become eligible at the 120% to 185% Federal Poverty Level would be 2,249 (4,243 – 1,994).

Using the current monthly average of \$412.85 per LC participant the estimated monthly increase in Child Care Subsidy expenditures would be \$928,500 (GF) (\$412.85 * 2,249) or a fiscal impact to the Department of Health and Human Services of \$11,142,000 (GF) annually.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2013-2014	2014-2015
		13-14	14-15	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....				\$11,142,000	\$11,142,000
Capital Improvements.....					
TOTAL.....				\$11,142,000	\$11,142,000