

Revised on 2/9/17 to include DAS Budget Division comments.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(\$1,697,234)		(\$3,434,752)	
CASH FUNDS				
FEDERAL FUNDS	(\$1,868,384)		(\$3,825,147)	
OTHER FUNDS				
TOTAL FUNDS	(\$3,565,618)		(\$7,299,899)	

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

Section 4 of LB 495 repeals an entitlement to services for persons with developmental disabilities who graduate from high school or reach the age of 21. The Department of Health and Human Services (HHS) has requested \$3,565,618 (\$1,697,234 General, \$1,868,384 Federal) in FY2017-18 and \$7,299,899 (\$3,434,752 General, \$3,825,147 Federal) in FY2018-19 to provide services to an estimated net additional 146 graduates in FY18 and 152 graduates in FY19. Since the entitlement to services for these individuals is repealed, the funding required pursuant to current law is eliminated.

HHS indicates the bill brings the state into compliance with federal requirements. The existing entitlement to services for graduates prioritizes services for this group of individuals which violates federal requirements to first serve persons with the highest priority status. If the entitlement to services is not eliminated for graduates, then services for these individuals will be need to be provided entirely with state general funds until such time when they become eligible for services per the prioritization process. At that point in time, then federal Medicaid waiver funds can be accessed as a match for eligible services for these individuals.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 495	AM:	AGENCY/POLT. SUB: Department of Health and Human Services (DHHS)	
REVIEWED BY: Elton Larson		DATE: 2/08/2017	PHONE: (402) 471-4173
<p>COMMENTS: The DHHS fiscal note estimates the General Fund cost avoidance associated with the provisions of LB 495. The negative fiscal impact amounts for FY 2018 and FY 2019 do not represent amounts available for reduction if the bill passes. The amounts represent estimates of General Funds that will need to be added to the budget for FY 2018 and FY 2019 to finance current statutory provisions if LB 495 does not become law. The agency indicates in the fiscal note that passage of LB 495 will allow for General Fund appropriations of \$4.2 million for FY 2018 and \$7.1 million for FY 2019 less than would be the case without the provisions of LB 495 becoming law.</p>			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Pat Weber

Date Prepared:(4) 2-7-17

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	FY 2017-2018		FY 2018-2019	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(\$4,197,251)		(\$7,097,170)	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(\$4,197,251)		(\$7,097,170)	

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

Explanation of Estimate:

LB 495 will update the definitions in the Developmental Disability Court Custody Act (DDCA) to match the language in the Developmental Disabilities Services Act (DDSA) for consistency in DHHS's role to serve individuals with developmental disabilities who meet Intermediate Care Facility for the Developmentally Disabled institutional level of care. Passage of this bill will not result in a reduction of appropriations, nor any budgetary savings.

If this bill is not passed, the result will be the need for additional appropriations. The Division of Developmental Disabilities (DDD) estimates that there are 220 individuals who would be entitled to vocational services in SFY2017-2018 unless LB 495 is passed. Seventy four of these individuals graduated from a high school located outside of the State of Nebraska. The cost to serve these individuals is estimated at \$1,411,803 in SFY2017-2018 and SFY2018-2019. The remaining 146 graduated from a high school located within the State of Nebraska. The cost to serve these individuals is estimated at \$2,785,448 in SFY2017-2018 and SFY2018-2019.

An additional 152 individuals that would become entitled to services are expected to graduate from a high school located within the State of Nebraska in SFY2018-2019. These services would cost an estimated \$2,899,919 in SFY2018-2019. The total estimated cost is summarized in the table below (All figures reflect State General Funds):

State Fiscal Year	Total Cost	NE Grads (SFY2017-2018)	Non - NE Grads	NE Grads (SFY2018-2019)
SFY2017-2018	4,197,251	2,785,448	1,411,803	
SFY2018-2019	7,097,170	2,785,448	1,411,803	2,899,919

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2017-2018	2018-2019
	POSITION TITLE	17-18	18-19	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....				

(\$4,197,251) (\$7,097,170)
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