

Revised based on amendments adopted through 4-23-19

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	509,553		205,853	
CASH FUNDS	637,016	626,442	624,295	594,269
FEDERAL FUNDS	1,482,373		1,959,858	
OTHER FUNDS				
TOTAL FUNDS	2,628,942	626,442	2,790,006	594,269

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

This bill requires all employees of residential child-care agencies who are 18 years of age or older to submit to a national criminal background check not less than once every five years. The employees also shall submit to these additional checks: national sex offender registry and the state criminal, sex offender and child abuse and neglect registries. The cost of the background checks are the responsibility of the employee.

The bill conforms state statute to the federal Family First Prevention Services Act. Non-compliance would place the state at risk of losing up to \$39 million in federal Title IV-E funding. The State Patrol will have increased expenses and increased revenue. The agency estimates that 1,094 individuals would need to be screened in the first year. Thereafter, it is assumed that turnover would be approximately 35% resulting in 383 additional checks. The Patrol will need a fingerprint technician and equipment. The cost in FY 2019-20 would be \$60,078. In FY 2020-21, the ongoing cost for the fingerprint technician is \$45,357. Revenue is projected to be \$49,504 in FY 2019-20 and \$17,331 in FY 2020-21.

LB 341: This bill as amended incorporates LB 341 which continues eligibility for transitional child care as long as the family continues to be eligible for the subsidy until the family income exceeds 85% of the State Median Income (SMI). The bill also removes the 24-month cap on transitional child care.

On average 36 cases a month are closed due to income. For purposes of this fiscal note, it is assumed that all cases are below the SMI. The average monthly cost for child care transitional cases is \$716. The annual cost will be \$1,959,858. The effective date of the bill is October 2019. The aid costs in FY 20 would be \$1,469,893. There would be a one-time cost of \$12,480 in FY 20 for modifications to NFOCUS.

This change is required for compliance to receive federal Child Care Development Block Grant funds. The block grant allotment for Nebraska has been increased by \$12.4 million to address compliance issues. The additional costs will be paid from federal block grant funds. Non-compliance would result in an annual loss of \$1,116,967.

LB 459: This bill as amended incorporates LB 459 which requires a national criminal records checks for all child care providers and prospective child care staff member or provider. Child care providers and employees are responsible for cost of the check. Approximately 12,750 child care providers would need the criminal background checks. The State Patrol conducts the checks. The cost per check is \$45.25. The State Patrol would have increased revenue of approximately \$578,938 annually. Due to the anticipated volume, the Patrol will need to hire 14 additional staff, purchase additional scanners and equipment and rent additional space, costs are expected to exceed revenue by \$509,553 in FY 2020 and \$205,853 in FY 2021. The General Fund would pay the costs that exceeds revenue. This bill is required to meet compliance for receipt of federal Child Care Development Block Grant funds. Some additional costs for the State Patrol not reflected in this fiscal note will be covered from an additional allotment from the federal block grant. Failure to comply could result in the loss of all or a portion of the block grant funding. Nebraska receives over \$30 million annually.