

PREPARED BY: Liz Hruska
 DATE PREPARED: February 04, 2021
 PHONE: 402-471-0053

LB 677

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,668,660		\$5,228,280	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,668,660		\$5,228,280	

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

This bill increases the income limit for the transitional child care subsidy program from 185% to 200%.

The Department of Health and Human Services estimates that approximately 856 case with 1,703 children would continue to receive the child care subsidy. The average cost per case is approximately \$515 a month. Assuming 72 cases a month are added in the first year, the cost in FY 2022 for three-fourths of the fiscal year would be \$1,668,600. The second year annual cost would be \$5,228,280.

The federal child care block grant is fully allocated and general funds are used to supplement the program. The costs would be from General Funds.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB: 677	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services		
REVIEWED BY: Ann Linneman	DATE: 2-8-2021	PHONE: (402) 471-4180		
COMMENTS: No basis to disagree 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) Mike Michalski

Date Prepared 2-5-2021

Phone: (5) 471-6719

	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$3,967,560		\$5,290,080	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$3,967,560		\$5,290,080	

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

Explanation of Estimate:

LB 677 increases the FPL limit for transitional child care up to 200% FPL. Based off of current transitional child care (TCC) subsidy eligibility cases, it is presumed that an additional 1,703 children or a total of 856 households (each household has an average of 2 children) will now be eligible for transitional child care by expanding the Federal Poverty Level from 185% to 200%. One hour of processing time would be needed to move the cases to the transitional child care category. The Department of Health and Human Services (DHHS) would absorb the administrative costs of the increased TCC cases.

The average transitional child care cost per case per month in SFY20 was approximately \$515. It is assumed that in year 1, the TCC increase would not go into effect until October 1, 2021. The costs for year one would be \$3,967,560. The total cost would for year 2 and every subsequent year would be \$5,290,080 per year.

Because DHHS has already obligated all federal funds to the child care program, the ongoing costs would need to be paid with general fund dollars.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2021-2022 EXPENDITURES	2022-2023 EXPENDITURES
	21-22	22-23		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$3,967,560	\$5,290,080
Capital Improvements.....				
TOTAL.....			\$3,967,560	\$5,290,080