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 DATE PREPARED: April 10, 2024  
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**LB 856**

Revision: 02

Revised to include provisions of AM3218 and FA354

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

As amended by AM 3218 which replaces the original sections and all amendments, this bill permits utilization of child care subsidy at a licensed child care facility including when the applicant or adult household member is the primary caregiver for such child if reasonable accommodations cannot be made. The bill also permits enrollment of a household member’s child in a child care program other than the household member’s child care program and receive subsidy for the child’s care. FA 354 specifies that such provisions are operative July 1, 2025 and that the Department of Health and Human Services (DHHS) shall promulgate rules and regulations consistent with the provisions.

It is uncertain how many individuals the provisions will impact. DHHS indicates newly eligible families will still be required to pay the \$200 family fee and will on average receive \$1,151 monthly in childcare assistance or approximately \$13,812 annually. The agency indicates potentially needing to hire one new Social Service Worker to address the increase in caseload. Due to uncertainty in the number of new cases, DHHS indicates willingness to initially absorb the costs of the provisions with the stipulation that increased utilization of these new provisions will result in a future budget request.

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

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

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Date Prepared 4-8-2024

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	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$0	\$0	\$0	\$0
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$0	\$0	\$0	\$0

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

**Explanation of Estimate:**

LB856 AM3218 requires that if a licensed child care program employs a member of a household that meets all other eligibility requirements necessary to be eligible for child care assistance (including family income below 185% of federal poverty level), then said child care program shall make reasonable accommodations so that the eligible applicant or adult household member is not a primary caregiver to such applicant's or adult household member's child. If reasonable accommodations cannot be made, the department shall allow the applicant or adult household member to receive childcare assistance including when the applicant or adult household member is the primary caregiver for such child. It also states that a licensed childcare provider eligible for the childcare subsidy may enroll the household member's child in a childcare program other than the household member's childcare program in order to receive childcare assistance.

It is difficult for the department to estimate the number of providers with their own children or that would be caring for their own children. Eligibility determination will still use family income with this change; thus, the families will still be required to pay the \$200 family fee themselves which makes the new households average \$1,151 in childcare assistance each month, or \$13,812 annually.

LB856 FA354 states that these changes would become operative July 1<sup>st</sup>, 2025. The department requires one additional FTE Social Service Worker to address the increased caseload, monitoring, and oversight of the program. The department will absorb this cost.

The department will absorb any applicable costs in the initial term because utilization is difficult to estimate. Should utilization of this program become substantial, a future budget issue may be necessary.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2024-2025 EXPENDITURES	2025-2026 EXPENDITURES
	POSITION TITLE	24-25		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>				