

PREPARED BY: Mikayla Findlay
DATE PREPARED: March 7, 2025
PHONE: 402-471-0062

LB 54

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$25,289,967			
CASH FUNDS				
FEDERAL FUNDS	\$28,044,042			
OTHER FUNDS				
TOTAL FUNDS	\$53,334,009		See below	

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

This bill appropriates an undefined dollar amount for an 11% increase to developmental disability service provider rates in FY26. Section one appropriates General Funds to Program 424 and section two appropriates federal funds to Program 348. Note that in 2024 the Legislature moved federal fund appropriation for developmental disability aid from Program 348 to Program 424.

The Department of Health and Human Services assumes the 11% would be temporary and estimates the cost to implement this increase is \$49,776,432 total funds (56.34% federal funds) in Program 424 and \$3,557,577 (100% General Funds) in Program 354 for a grand total of \$53,334,009 in FY26 only. Child Day Habilitation and Shared Living Provider rates in Child Welfare have parity with developmental disability provider rates. DHHS indicates no federal dollars would be applicable to the increased Child Welfare rates due to offsetting federal participation decreases to Title IV-E eligible expenditures.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 54 AM: AGENCY/POLT. SUB: Nebraska Department of Health & Human Services

REVIEWED BY: Ann Linneman DATE: 3-7-2025 PHONE: (402) 471-4180

COMMENTS: Concur with the Nebraska Department of Health and Human Services' assessment of fiscal impact.

Technical Note: The current appropriation language is not sufficient to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804.

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION				
State Agency or Political Subdivision Name:(2) Department of Health and Human Services				
Prepared by: (3) John Meals		Date Prepared 3-7-25		Phone: (5) 471-6719
	FY 2025-2026		FY 2026-2027	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$25,289,967			
CASH FUNDS				
FEDERAL FUNDS	\$28,044,042			
OTHER FUNDS				
TOTAL FUNDS	\$53,334,009	\$0	\$0	\$0

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

Explanation of Estimate:

LB54 appropriates state general funds to the Department of Health and Human Services (DHHS) for program 424 (Developmental Disability Aid) and federal funds for program 348 (Medical Assistance) to implement an 11% increase in reimbursement rates for providers of developmental disability (DD) services. However, LB1264 passed in 2024, removed the federal fund appropriation for Developmental Disability from Program 348 to Program 424. As a result, there will be no federal fund appropriations in Program 348; instead, it will be in Program 424.

The 11% increase for the fiscal year 2025-26 is estimated to total \$49,776,432, which includes \$21,732,390 in state general funds and \$28,044,042 in federal funds in Program 424.

Additionally, the increase in provider rates for DD services will affect the Division of Children and Family Services (CFS). Based on spending from October 2024 through December 2024 on Child Day Habilitation and Shared Living-Agency services, the 11% rate increase is estimated to result in an additional \$3,557,577 in state general fund spending for fiscal year 2025-26. This spending will come from program 354, with no federal drawdown. Given that LB54 appropriates funds only for SFY25-26, rates would decrease in SFY26-27.

The projected total fiscal impact for FY 2025-26 is \$53,334,009 in total funds, which includes \$25,289,967 in general funds and \$28,044,042 in federal funds.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2025-2026	2026-2027
	26-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$53,334,009	
Capital Improvements.....				
TOTAL.....			\$53,334,009	\$0