

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	\$374,903		\$346,895	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$374,903		\$346,895	

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

LB 181 would expand Bridge to Independence (B2i) eligibility to juveniles aged 19 and 20 who are not lawfully present in the United States beginning January 1, 2026. The Department of Health and Human Services (DHHS), who administers the B2i program, estimates 15 young adults would be newly eligible for B2i as a result of this provision and would have to maintain eligibility for the program by working or being enrolled in school. In the estimate of fiscal impact for [LB262](#) in 2021, DHHS estimated such an expansion would impact 5 young adults. B2i provides a \$1,000 monthly stipend. The expanded eligibility would result in an increased aid cost of \$180,000 annually for monthly stipends for 15 newly qualifying young adults. Federal IV-E funding would not be available for this newly eligible population therefore costs would be paid exclusively via state General Funds.

The bill would also expand coverage of medical care to all individuals enrolled in B2i even if they do not qualify for Medicaid. The estimated cost of this provision for the newly eligible population (15 young adults) is \$616 monthly or \$110,880 annually. In addition to the newly eligible population, this provision would impact approximately 6 young adults and cost \$56,015. The bill states in order to fund this provision DHHS shall identify and pursue all other coverage options including payment from the General Fund.

The aid related fiscal impacts are half the cost of a full year in FY26 due to the start date of January 1, 2026.

Regarding administration costs, DHHS cites increased workload necessitating two additional FTEs and system updates to accommodate the program changes. The system changes amount to \$124,460 in FY26 only to update the MMIS and NFOCUS. Due to the small number of individuals that the provisions of this bill impact, the agency should be able to absorb the work associated with the additional program participants.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	181	AM:	AGENCY/POLT. SUB: Nebraska Dept of Health & Human Services	
REVIEWED BY:	Ann Linneman	DATE:	2-10-2025	PHONE: (402) 471-4180
COMMENTS: Concur 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) John Meals

Date Prepared 2-7-25

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	<u>FY 2025-2026</u>		<u>FY 2026-2027</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$412,539		\$507,379	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$412,539	\$0	\$507,379	\$0

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

Explanation of Estimate:

LB181 proposes that the Department of Health and Human Services (DHHS) submit a State Plan Amendment (SPA) to expand coverage of the current young adult Bridge to Independence (B2i) program to include young adults aged 19 and 20 who are not lawfully present in the U.S. This would allow additional youth to be eligible for case management services and monthly financial assistance beginning on January 1, 2026. Due to federal requirements, IV-E funding would not be available for young adults who are not lawfully present in the United States. Any costs of services and support for this population would be paid for through state general funds only.

The proposed bill also states that medical services shall be provided to all young adults that are eligible under the b2i program, who are age 19 or 20, and have signed a voluntary services and support agreement; this population would include all individuals enrolled in the b2i program that do not meet eligibility criteria for an existing category of Medicaid. Under this proposed bill, individuals enrolled in the b2i program that are not eligible for the State’s Medicaid program would have their expenses paid by the State General Fund. They would not have federal financial participation (FFP) available for this proposed bill. The Department of Medicaid and Long-Term Care (MLTC) estimates that six young adults will be affected by this bill each year, with an estimated annual cost of \$56,015 in the State General Fund to provide Medicaid services for this population.

Children and Family Services (CFS) estimates that about fifteen young adults per year would be impacted by LB181. CFS pays a monthly stipend to B2i participants of approximately \$1,000. Therefore, LB181 would cost about \$180,000 annually for the stipends. In addition, CFS-PS would also have to use funds for the LOE medical coverage. LOE costs vary, but the average monthly cost is \$616 per person. An additional fifteen persons would result in an estimated increase of \$110,880 for the next fiscal year.

Implementing the proposed bill would require system updates to Nebraska Medicaid's eligibility and enrollment systems, Nebraska Family Online Credit User System (NFOCUS), and Medicaid Management Information System (MMIS). The estimated costs for updating the NFOCUS and MMIS systems are \$61,920 and \$62,540, respectively.

To implement this new state-funded program, the department would need a Service Specialist (1 FTE) and a Social Service Worker (1 FTE) for case management and for issuing payment and monthly entitlement letters to accommodate the increased number of young adults. Additionally, the department will need to update the guidelines for staff and revise current procedures. The Learning and Development teams will also need to modify training materials for the new eligibility operations workers.

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2025-2026	2026-2027
	25-26	26-27	EXPENDITURES	EXPENDITURES
Service Specialist	0.75	1.0	\$39,067	\$54,694
Social Services Worker	0.75	1.0	\$31,824	\$44,554

Benefits.....		\$24,812	\$34,737
Operating.....		\$143,388	\$26,499
Travel.....			
Capital Outlay.....			
Aid.....		\$173,448	\$346,895
Capital Improvements.....			
TOTAL.....		\$412,539	\$507,379