

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	\$239,989		\$241,988	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$239,989		\$241,988	

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

This bill adopts the Foster Child Scholarship Act (Act) to be administered by the Department of Health and Human Services (DHHS). The Act direct DHHS to establish the Foster Care Scholarship Program beginning with the 2025-26 school year. Eligible student means an elementary or secondary school student who is in foster care or is the biological sibling of a foster child. The bill specifies which private schools are eligible and clarifies that the scholarships are financial grant-in-aid intended for use for part or all of the cost of schooling. The bill directs DHHS to annually notify educational decisions makers about the Act to increase awareness. The bill permits DHHS to adopt and promulgate rules and regulations to carry out the provisions of the Act.

The bill requires DHHS to submit an annual report to the Governor and Legislature by December 1, 2026 that includes the number of students receiving scholarships in the most recent fiscal year, the amount awarded in scholarships, and specified demographic information on scholarship recipients.

DHHS would require 0.5 FTE Program Specialist to oversee the program including tasks such as developing the criteria for the program, tracking scholarships, compiling information for the report, notifying the educational decision makers, and more.

The bill states Legislative intent to appropriate \$200,000 General Funds in FY26 and FY27 to carry out the provisions of the Act. The bill does not specify an upper limit to the amount each student could be provided though the total dollars would be limited by the appropriation for such program.

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

LB: 481 AM: AGENCY/POLT. SUB: Nebraska Department of Health & Human Services

REVIEWED BY: Ann Linneman DATE: 2-7-2025 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 2-7-25

Phone: (5) 471-6719

	<u>FY 2025-2026</u>		<u>FY 2026-2027</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$239,989		\$241,988	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$239,989	\$0	\$241,988	\$0

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

Explanation of Estimate:

LB481 adopts the Foster Child Scholarship Act; Section 5 would appropriate \$200,000 from the general fund for FYs 2025-26 and 2026-27 to the Department to conduct this Act. Children and Family Services (CFS) would use the funds to grant HOPE scholarships to eligible students to pay the costs associated with attending an eligible school, both defined in the bill, beginning with the 2025-26 school year.

CFS will work with the Office of Procurement and Grants (OPG) to develop the scholarship process, and they will have to develop an application process, guidelines for the scholarship, and how to determine the amount to award for each scholarship. The hours required for OPG are as follows: template development will take approximately 20 hours, developing a "landing page" with information for the public will take approximately 4 hours, and to draft and execute an estimated forty-five agreements will take approximately 135 hours. The department will absorb this work within existing staff.

The Department will need a (0.5) FTE Program Specialist to assist in other implementation activities, including:

- Developing selection criteria and other requirements
- Tracking financial utilization of the individual agreements and the program as a whole, within the budget constraints.
- Determine eligibility, determine actual expense, reimburse, and accurate accounting of the disbursements under every agreement.
- Track additional demographic information required for annual reports.
- Updating the SOP
- Drafting the regulations and/or Public Guidance Document
- Drafting the required new report
- Annual notification to educational decision-makers

Section 4 requires an annual report to be submitted to the Governor and Legislature on or before December 1st starting in 2026.

CFS would also update our Standard Operating Procedures (SOPs), and any attachments for Education of State Wards to include that educational decision-makers must be notified of the scholarship opportunity. New guidance on the scholarship itself would also be developed. These updates to the SOPs and approvals would require the following hours: Administrator (2-3 hours), Attorney III (1-2 hours), and 2 Deputy Directors (2-3 hours total). Additionally, all field staff will need 30 minutes to complete training on the changes. The Department will absorb the hours required by staff to make these changes.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2025-2026	2026-2027
	26-26	26-27	EXPENDITURES	EXPENDITURES
DHHS Program Specialist	0.5	0.5	\$24,730	\$25,967
Benefits.....			\$8,656	\$9,088
Operating.....			\$6,603	\$6,933
Travel.....				
Capital Outlay.....				
Aid.....			\$200,000	\$200,000
Capital Improvements.....				
TOTAL.....			\$239,989	\$241,988