

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	113,060		60,200	
CASH FUNDS				
FEDERAL FUNDS	113,060		60,200	
OTHER FUNDS				
TOTAL FUNDS	226,120		120,400	

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

This bill establishes a stipend program for undergraduate and graduate social work students. The Department of Health and Human Services will work with the colleges and universities to develop an application process and determine the stipend amounts based on the available funding. The stipends are eligible for federal matching funds under Title IV-E.

The stipends are eligible for a federal match that ranges between 50% and 75%. The administrative costs are matched at 50%. Several conditions must be met to receive the federal match. Those include improving training for personnel employed by the state or preparing for employment for the state; accreditation or pre-accreditation for the specialized program and an evaluation of the program no later than the close of the second year.

The Department of Health and Human Services estimates that approximately 10 people per year would qualify for stipends. The cost for curriculum development; stipends and administration are estimated to be \$206,120 (\$103,060 GF and FF) in FY 16 and \$120,400 (\$60,200 GF and FF) in FY 17. The cost of the evaluation is estimated to be \$20,000 (\$10,000 GF and FF).

The workload at the University would increase under this bill. The HHS estimate includes the cost of curriculum development. There would be ongoing coordination between the University and HHS. The extent to which this would increase the workload is unclear.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB:199	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY: Elton Larson	DATE: 1/27/15	PHONE: 471-4173
COMMENTS: Agency analysis and estimate of fiscal impact appear reasonable.		

Please complete ALL (5) blanks in the first three lines.

2015

LB⁽¹⁾ 199

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ University of Nebraska

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 20, 2015 Phone: ⁽⁵⁾ 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$ 70,750		\$ 68,750	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$ 70,750		\$ 68,750	

Explanation of Estimate

LB 199 provides an incentive for students pursuing a Bachelor's or Master's Degree in Social Work to complete their practicums with DHHS by providing stipends funded through Title IV-E.

The program requires a Practicum Associate with child welfare expertise to coordinate, support and oversee these students' practicums with DHHS. A Faculty Coordinator is required for the child welfare continuum between the School of Social Work and the development of curriculum for DHHS.

We understand the stipends themselves will come through DHHS from the IV-E funding, which is not accounted for here.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Faculty Coordinator	.25	.25	\$ 15,000	\$ 15,000
Practicum Associate	1.00	1.00	40,000	40,000
Benefits.....			13,750	13,750
Operating.....			2,000	
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$ 70, 750	\$ 68,750

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 Mason

Date Prepared:(4) 2-17-15

Phone: (5) 471-0676

	FY 2015-2016		FY 2016-2017	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$103,060		\$60,200	
CASH FUNDS				
FEDERAL FUNDS	\$103,060		\$60,200	
OTHER FUNDS				
TOTAL FUNDS	\$206,120		\$120,400	

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

Explanation of Estimate:

There would be a fiscal impact to the Department of Health and Human Services. LB 199 provides in Section 1 that:

"To facilitate improved quality in the work of employees providing child welfare services, the Department of Health and Human Services, in collaboration with accredited social work education programs at Nebraska's public colleges and universities, shall establish a program to provide stipends for undergraduate and graduate social work students enrolled in such colleges and universities who are committed to working in the field of child welfare services. Funds available under Title IV-E of the federal Social Security Act, as such act existed on January 1, 2015, shall be used to pay for such stipends. The department and the governing boards of such colleges and universities shall develop an application process for eligible students and, based on the amount of funds available, shall determine the amount of such stipend to be awarded to each eligible student. The department and the governing boards may adopt and promulgate rules and regulations to carry out this section."

CFR-2010-Title45-vol2 §235.63 (c), Conditions for FFP indicates that the federal match for Title IV-E eligible training including stipends is available at a 50% match rate. Title IV-E allows for reimbursements ranging from 0% up to 75% depending on specific conditions. For this fiscal note a 50% match rate is assumed. State GF must be expended to gain the federal match creating an impact on State GF.

§235.63 also describe the provisions that must be met if FFP will be available for a grant made to an educational institution for training and/or stipends:

1. Grants are made for the purpose of developing, expanding, or improving training for personnel employed by the State or local agency or preparing for employment by the State or local agency administering the program. Grants are made for an educational program (curriculum development, classroom instruction, field instruction, or any combination of these) that is directly related to the agency's program. Grants are made for not more than 3 years, but may be renewed, subject to the conditions of this section;
2. Grants are made to educational institutions and programs that are accredited by the appropriate institutional accrediting body recognized by the U.S. Commissioner of Education. When a specialized program within the institution for which there is a specialized accrediting body is used, that program must be accredited by or have pre-accreditation status from that body. (Part 149 of this title explains the requirements and procedures for obtaining recognition as an accrediting agency or association. Lists of currently recognized accrediting bodies are published in the FEDERAL REGISTER periodically. See also Nationally Recognized Accrediting Agencies and Associations published by the Office of Education);
3. The State agency has written policies establishing conditions and procedures for such grants;
4. Each grant describes objectives in terms of how the educational program is related to the financial assistance programs and how it is designed to meet the State or local agency's manpower needs; and

- An evaluation of the educational program funded by each grant is made no later than the close of the second year of the grant. The evaluation shall be conducted by representatives from the educational institution and the State agency to determine whether conditions and objectives described in the grant are being met. If the educational program does not meet these conditions and objectives, payment shall be terminated no later than the close of the second year of the grant.

Using information provided by the Social Work Policy Institute (Educating Social Workers for Child Welfare Practice: The Status of Using Title IV-E Funding to Support BSW & MSW Education Policy Brief – September 2012) the following should be noted.

The policy brief and CFR-2010-Title45-vol2 §235.63 indicate that courses must meet Title IV-E criteria so the cost of establishing an entire curriculum that would qualify for Title IV-E could be very high.

The survey of 194 programs also provided information on the number of participants in Title IV-E education programs. For the 147 programs in 35 states that responded to the survey there were at least 1,853 students that received Title IV-E support in the 2011-2012 academic year. Given this number of participants and population figures for the 20-24 age group, nationally and for Nebraska, probably no more than 10 persons per year might participate in a state Title IV-E education program. The current tuition rate at the University of Nebraska is \$216 per credit hour. The university estimates that an undergraduate student taking 15 hours per semester for two semesters would incur \$8,169.50 for tuition and fees. Graduate students may incur a larger cost due to higher tuition rates.

The total estimated fiscal impact to DHHS for FY2015-2016 is \$206,120 (\$103,060 GF, \$103,060 FF) and for FY2016-2017 is \$120,400 (\$60,200 GF, \$60,200 FF). The cost for subsequent years might not be reduced due to higher tuition costs/number of participants and the maintenance and development of an ongoing curriculum. This assumes that:

- There is an initial curriculum development cost of \$100,000 incurred in FY2015-2016;
- 5 students receive stipends per year at a cost of \$8,169.50 per student in FY2015-2016 and \$8,415 per student in FY2016-2017 (accounting for an estimated 3% increase in tuition and fees);
- The program will require one full time DHHS Program Specialist to administer, starting on September 1, 2015; and
- All expenditures are Title IV-E eligible for 50% Federal matching funds.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2015-2016	2016-2017
	15-16	16-17	EXPENDITURES	EXPENDITURES
DHHS Program Specialist	0.8	1	\$36,910	\$44,292
Benefits.....			\$7,736	\$9,283
Operating.....			\$161,474	\$66,825
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$206,120	\$120,400