

UNSOLICITED
EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 9, 2017

Agency Submitting: Department of Health and Human Services, Welfare and Supportive Services

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
RGL 4261 - Funding Loss (Expense)		\$583,466	\$583,466	\$1,166,932
RGL 3538 - Funding Loss (Expense)		\$244,000	\$244,000	\$488,000
Personnel (Expense)		\$779,869	\$712,730	\$1,425,460
Benefits (Expense)		\$7,054,574	\$7,054,574	\$14,109,148
Total	0	\$8,661,909	\$8,594,770	\$17,189,540

Explanation

(Use Additional Sheets of Attachments, if required)

This BDR revises current law (NRS 425.510) making the use of driver's license suspension for noncompliant child support debtors permissive rather than mandatory. It also prohibits the suspension of nonresponsive child support debtor's licenses if the suspension would be an impediment to present or potential employment. However, current statutes already allows restricted licenses for the purpose of driving to and from work in such cases (NRS 483.443, 483.490). The threat of mandatory driver's license suspension often generates responses from noncompliant parents and results in collections for 80% of cases where the parent is nonresponsive to prior collection attempts. This bill, should it pass, would negatively impact the collection and disbursement of court-appointed child support to nearly 6,000 cases, or \$11,000,000 dollars in child support payments to custodial parents.

Additionally, the Reserve category and State Share of Collections together provide the state portion of the federal grant match requirements for the Child Support Enforcement Program (CSEP). The Reserve is expected to reduce significantly over the next biennium. Further reduction of State Share of Collections would negatively impact CSEP by not allowing the agency to provide sufficient state match. Accordingly, the program may require a general fund supplement in order to maintain compliance with federal mandates. Relatedly, this bill may also impact federal incentive dollars which are used for program enhancements by an estimated -6% per year. The fiscal impact to the division for this bill is related to loss of Federal and State Share of Collections revenue, as well as adding 11 Family Services Specialists and ancillary costs due to a projected increase in benefit requests from needy custodial parents who will likely not receive their child support payments.

Name Brenda Berry

Title ASO4

***Division of Welfare and Supportive Services
Department of Health and Human Services
BDR 38-8 (AB358) - Fiscal Impact Summary***

EXHIBIT 1

B/A	Category	CSEP - IV-D		
		FY18	FY19	Future Biennia
3238	*Decrease in Fed Incentives Award	244,000	244,000	488,000
	**Decrease in State Share of Collections	583,466	583,466	1,166,932
	Total Loss of Funding Impact	827,466	827,466	1,654,932
***Cost for 1,760 new TANF recipients				
3233	Staffing to Support Additional Eligibility Applicants	779,869	712,730	1,425,460 (see Exhibit 1A for detailed costs)
3230	TANF Benefits Costs for Additional Caseload	7,054,574	7,054,574	14,109,148 (see Exhibit 1B for detailed costs)
		7,834,443	7,767,304	15,534,608
	Total Fiscal Impact to the Division	8,661,909	8,594,770	17,189,540
N/A	**Total Case Collections Impact to Public	11,383,713	11,383,713	22,767,426
	Annual amount represents actual funds collected in SFY16 for child support owed to families.			

* Incentive dollars are used for the following:
 Improve effectiveness and efficiencies of the program
 Pilot projects for program improvement
 System development/implementation

** General Fund may be required to meet federal state match requirements.

*** Estimated 6,000 cases would remain uncollected per year.
 1,852 are vulnerable of which 82 are currently receiving TANF leaving an additional 1,760 will likely qualify for TANF/SNAP benefits. Assumes loss of Child Support will cause an increase in applications to TANF/SNAP.

Division of Welfare and Supportive Services
Department of Health and Human Services
BDR 38-8 (AB358) - Fiscal Impact Summary

EXHIBIT 1A

SUMMARY				
CAT	DESCRIPTION	FY18	FY19	FUTURE BIENNIA
1	PERSONNEL	630,190	650,430	1,300,860
4	OPERATING	14,212	6,870	13,740
4	NON-STATE OWNED BUILDING RENT	47,256	48,180	96,360
5	EQUIPMENT	48,961	-	-
26	INFORMATION SERVICES	39,250	7,250	14,500
TOTAL		779,869	712,730	1,425,460

G.L. #	G.L. TITLE DESCRIPTION	FY 18 Program Allocation	FY18 REQUEST	FY 19 Program Allocation	FY19 REQUEST	FUTURE BIENNIA (2*FY17 ONGOING COSTS)
2501	GENERAL FUND APPROPRIATION	30.243%	235,856	30.25%	215,601	431,202
3340	UEC	0.012%	94	0.012%	86	171
3531	FED USDA FOOD STAMP PROGRAM	18.266%	142,451	18.264%	130,173	260,346
3533	FED CHILD SUPPORT PROGRAM	0.017%	133	0.017%	121	242
3567	FED TANF PROGRAM	14.915%	116,317	14.915%	106,304	212,607
3583	FED CHILD CARE DEVELOPMENT FUND	0.015%	117	0.015%	107	214
3872	FED TITLE XIX	35.535%	277,126	35.535%	253,269	506,537
3873	SCHIP	0.997%	7,775	0.992%	7,070	14,141
TOTAL REVENUE		100.000%	779,869	100.000%	712,730	1,425,460

PERSONNEL - CATEGORY 01

NOTE: PERSONNEL COSTS OBTAINED FROM NEBS W09 ACA FTE

MONTH FILLED	GRADE STEP	TITLE	# POSITION	FTE**	Months Remaining to End of FY	FY18 COST PER POS*	FY18 SAL & BEN COST	FY19 COST PER POS	FY19 SAL & BEN COST	FUTURE BIENNIA (2*FY19 ONGOING COSTS)
FY 18										
Jul-17	31-01	FAMILY SERVICES SPECIALIST II	11	11	12	57,290	630,190	59,130	650,430	1,300,860
TOTAL NEW FY 18 NO. OF POSITIONS/FTE =			11	11			630,190		650,430	1,300,860
TOTAL FY 18 NO. OF POSITIONS/FTE =			11	11						
FY 19										
TOTAL NEW FY 19 NO. OF POSITIONS/FTE =			0	0	12				-	-
TOTAL FY 19 POSITIONS/FTE =			11	11					-	-

OPERATING - CATEGORY 04

Operating Costs obtained from SFY16 Actuals divided by authorized FTEs

whole number only

CAT	G/L	ANNUAL BASE COST PER FTE OR NEBS RATE	FY18 FTE OR POS	FY18 COST	FY19 FTE OR POS	FY19 COST	FUTURE BIENNIA (2*FY19 ONGOING COSTS)
4	7020 OPERATING SUPPLIES	60	11	660	11	660	1,320
4	7026 COPY PAPER	50	11	545	11	545	1,089
4	7040 PRINTING AND COPYING	51	11	559	11	559	1,117
4	7050 INSURANCE EXPENSE - EMPLOYEE BOND per NEBS	2	11	17	11	17	33
4	7054 INSURANCE EXPENSE - AG TORT per NEBS	99	11	1,084	11	1,084	2,169
4	7110 NONSTATE OWNED BUILDING RENT****	4295.55/4379.50	11	47,256	11	48,180	96,360
	*\$4296 IN FY18/\$4380 IN FY19 PER FTE ANNUALLY IN RENT COSTS						
4	7255 B&G .0065% OF NON-STATE OWNED RENT per NEBS	0	11	307	11	313	626
4	7290 TELEPHONE	164	11	1,804	11	1,804	3,608
4	7292 VOICEMAIL (NEW SET-UP)	150	11	1,650	11	-	-
4	7296 EITS LONG DISTANCE PHONE CHARGES	60	11	661	11	661	1,321
4	7299 EITS TELEPHONE WIRING	250	11	2,750	11	-	-
4	7460 EQUIPMENT UNDER \$1,000 (Telephone sets)	95	11	1,045	11	-	-
4	7460 EQUIPMENT UNDER \$1,000 (Headsets sets)	173	11	1,903	11	-	-
4	7980 COPIER LEASES - 1MFP TO 8FTE - ANNUAL LEASE COST	1228		1228		1228	2,456
TOTAL OPERATING - CAT 04				61,468		55,050	110,100

Division of Welfare and Supportive Services
Department of Health and Human Services
BDR 38-8 (AB358) - Fiscal Impact Summary

EXHIBIT 1A

Equipment Cost obtained from NEBS Equipment Schedule

CAT	GL	ITEM	NEBS RATE	Manually input FY18 POS	FY18 COST	Manually input FY19 POS	FY19 COST	FUTURE BIENNIA (2*FY19 ONGOING COSTS)
5	8241	WORKSTATIONS	4,386	11	48,246			
	8241	WASTEBASKETS	15	11	165			
	8241	CHAIRMATS	50	11	550			
TOTAL EQUIPMENT - CAT 05					48,961	-	-	-

Information Svcs Cost obtained from NEBS Equipment Schedule

CAT	GL	ITEM	ANNUAL BASE COST PER FTE OR NEBS RATE	FY18 FTE OR POS	FY18 COST	FY19 FTE OR POS	FY19 COST	FUTURE BIENNIA (2*FY19 ONGOING COSTS)
26	7021	OPERATING SUPPLIES - TONER	-	11	-	11	-	-
	7073	SOFTWARE MAINTENANCE						
		Novelle Suite	125			11	1,375	2,750
		Zscope	9			11	99	198
		Norton AV	10			11	110	220
26	7299	EITS DATA WIRING	250	11	2,750	-	-	-
26	7533	EITS E-MAIL CHARGES	14.57	11	1,923	11	1,923	3,846
26	7554	EITS INFRASTRUCTURE ASSESSMENT	195.86/211.57	11	2,154	11	2,327	4,655
26	7556	EITS SECURITY ASSESSMENT	94.48/128.66	11	1,039	11	1,415	2,831
26	7771	SOFTWARE (FOR NEW POSITIONS)						
		PC Suite - Windows Cal	155	11	1,705			
		PC Suite - Zscope	28	11	308			
		PC Suite - Microsoft Office Pro	561	11	6,171			
		PC Suite - Novell	550	11	6,050			
26	8371	HARDWARE (FOR NEW POSITIONS)						
		8371 Desktop PC w/ monitor per NEBS	1,499	11	16,489			
		8371 Surge Protector w/ Battery Backup per NEBS	60	11	660			
TOTAL IS - CAT 26					39,250	7,250	14,500	
TOTAL EXPENDITURES					779,869	712,730	1,425,460	

*RENT COSTS ARE ESTIMATED AT PROJECTED ANNUAL RENTAL COST PER FTE IN FY1819 AND INCLUDES FULL SERVICE LEASES - JANITORIAL AND UTILITIES COSTS ARE INCLUDED IN LEASE AMOUNT

**FTE ARE BASED ON STAFFING DIVISION STAFFING RATIO FOR ELIGIBILITY WORKERS - SEE ATTACHMENT 1C

Division of Welfare and Supportive Services
Department of Health and Human Services
BDR 38-8 (AB358) - Fiscal Impact Summary
AVERAGE MONTHLY PROGRAM COST PER CASE

EXHIBIT 1B

	SNAP			TANF		
Month	(5) DOLLAR VALUE	(6) AVG PER CASE	(7) AVG PER PERSON	(21) NET TOTAL GRANTS PAID	(24) AVG GRANT PER RECIPIENT	(25) AVG GRANT PER FAMILY
Jul 15	\$51,373,666	\$237.96	\$119.12	\$3,573,164.00	\$126.18	\$324.27
Aug	\$52,026,058	\$238.58	\$119.38	\$3,591,852.00	\$128.91	\$332.33
Sep	\$52,308,221	\$238.42	\$119.37	\$3,617,882.00	\$126.01	\$325.09
Oct	\$52,452,410	\$237.89	\$119.35	\$3,590,244.00	\$130.15	\$335.19
Nov	\$52,664,299	\$237.63	\$119.42	\$3,585,400.00	\$130.80	\$335.96
Dec	\$52,462,730	\$236.54	\$119.16	\$3,589,175.00	\$130.24	\$333.72
Jan 16	\$52,001,042	\$234.83	\$118.42	\$3,515,042.00	\$131.62	\$335.47
Feb	\$52,459,235	\$236.62	\$119.64	\$3,491,881.00	\$134.31	\$339.51
Mar	\$52,249,872	\$235.46	\$119.20	\$3,452,072.00	\$132.96	\$334.57
Apr	\$52,367,933	\$235.75	\$119.47	\$3,345,853.00	\$133.89	\$338.58
May	\$52,564,576	\$236.13	\$119.73	\$3,324,633.00	\$132.97	\$337.18
Jun	\$52,606,057	\$235.58	\$119.41	\$3,251,632.00	\$132.73	\$336.40
SFY16	\$627,536,099			\$41,928,830.00		
SFY16	\$52,294,675	\$236.78	\$119.30	\$3,494,069.17	\$130.90	\$334.02

Approval of this BDR estimates impact related to an increase in eligible recipients and need for SNAP as well as TANF assistance. Actual benefits for TANF are paid to recipients from B/A 3230. Actual benefits paid to SNAP recipients do not directly impact Division budget accounts, and therefore are not calculated for this fiscal note.

Additional Caseload	1,760
Monthly Cost for Cases/Family	\$587,881.18
Estimated Annual Cost	\$7,054,574.22

3233 STAFFING BASELINE METHODOLOGY

Section I: Eligibility Tasks (FSS)							
		Average Monthly Number of Tasks Received	Transaction Time (in minutes)* Caseload for NEON	FTE's Required to Complete (A X B / 60 / 130) or Monthly Recipients / Caseload Size	Current FTE	Difference FTE	Data Source
		(A)	(B)				
Eligibility	Call Center FSS Calls	0	45	0	0.00	0	FSS's completing eligibility tasks via call center Transaction time = pathOS data
	pathOS Processing	1,760	49	11	0.00	11	Weighted average of various Pathos tasks measured in PathOS and reported monthly
Total		1,760		11	0.00	11	101%
Section II: Employment and Training							
Case Management	NEON & SNAP E&T Cases	0	180	0	0.00	0	0%
Section III: All Clerical Support							
	All Clerical Positions			0	0.00	0	0%
Section IV: Supervision, Management, Oversight and Support Assignments							
	All Social Service Managers, Supervisors, QA staff, training staff, test staff, BPR staff, and Academy attendees			0	0.00	0	0%
GRAND TOTAL 3233 POSITIONS NEEDED				11	0.00	11	100%