

PREPARED BY: Mikayla Findlay
 DATE PREPARED: February 20, 2024
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LB 1035

Revision: 01

Revised to Include provisions adopted in AM 2442 and FA 217

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$551,218		\$528,352	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$551,218		\$528,352	

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

The Prescription Drug Donation Program Act directs the Department of Health and Human Services (DHHS) to approve a prescription drug donation program that permits voluntary donations and dispensing of qualifying prescription drugs. Drugs donated under the program are required to (1) be in original, unopened, sealed, and tamper-evident packaging, (2) undergo inspection prior, and (3) bear an expiration date more than 6 months following donation except in limited cases and isn't restricted for distribution by the federal Food and Drug Administration (FDA).

The bill as amended requires DHHS to approve a drug donation program and designate a nonprofit organization to administer the program. DHHS estimates the need to provide \$475,000 via contract agreement with the entity for assistance with operational costs of the program. DHHS would incur costs associated with establishing standards and regulations, issuing contract agreements, and compliance monitoring. DHHS would require 1 FTE Program Manager in the first year and 0.5 FTE thereafter to oversee the program.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	1035	AM: 2442,FA217	AGENCY/POLT. SUB: Nebraska Department of Environment & Energy	
REVIEWED BY:	Ann Linneman	DATE:	2-16-2024	PHONE: (402) 471-4180
COMMENTS: Concur with the Nebraska Department of Environment & Energy's assessment of no fiscal impact.				

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

2024

LB⁽¹⁾ 1035 AM2442 FA217

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Environment and Energy

Prepared by: ⁽³⁾ Kevin Stoner Date Prepared: ⁽⁴⁾ Feb 15, 2024 Phone: ⁽⁵⁾ 402 471-2186

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 1035 AM2442 FA 217 proposes the Department of Health and Human Services adopt the Prescription Drug Donation Program Act.

There is no fiscal impact to NDEE.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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 2-29-2024

Phone: (5) 471-6719

	FY 2024-2025		FY 2025-2026	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$551,218	\$0	\$528,352	\$0
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$551,218	\$0	\$528,352	\$0

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

Explanation of Estimate:

LB 1035, as amended by AM 2442 and FA17, allows a Prescription Drug Donation Program to operate in Nebraska. The Department of Health and Human Services (DHHS) would approve a program and ensure the program is operating according to Nebraska and Federal laws. LB 1035 states that participation in the program is voluntary but does not provide any qualifications for donated drug recipients.

LB 1035 does not give DHHS authority to promulgate new rules and regulations for the program. However, new rules and regulations would need to be created with the Board of Pharmacy's input and approval to establish the necessary standards to implement the program. The potential cost impact of this work is being deferred from a formal request at this time and is estimated as follows:

Title	Hour(s)	Hourly Cost	Absorbed Cost
<i>Director</i>	4	\$ 77	\$ 309
<i>Deputy Director</i>	4	\$ 56	\$ 223
<i>Administrator I</i>	4	\$ 31	\$ 126
<i>Program Specialist</i>	8	\$ 23	\$ 186
<i>Program Analyst</i>	16	\$ 23	\$ 363
<i>Attorney III</i>	30	\$ 35	\$ 1,035
<i>Total Costs</i>			\$ 2,242

This fiscal note includes the requirement that work associated with conducting a Prescription Drug Donation Program would be provided by a third-party non-profit organization that holds a valid Nebraska pharmacy license. It is estimated that \$475,000 would be a sufficient cost reimbursement amount for the existing non-profit organization that operates a Prescription Drug Donation Program in Iowa to be expanded to include Nebraska. DHHS would award \$475,000 per fiscal year via contract agreement with the entity for assistance with operational costs of the program. DHHS would incur costs associated with establishing standards and regulations, issuing contract agreements, and compliance monitoring.

DHHS estimates the need for an additional 1.0 FTE Program Manager during the first year of implementation and an additional .5 FTE Program Manager for subsequent fiscal years.

Aid costs for the contract agreement would need funding under Program 514 – Health Aid and DHHS Administrative Costs would need funding under Program 033 – Administration. General Funds are assumed as the source.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2024-2025	2025-2026
	24-25	25-26	EXPENDITURES	EXPENDITURES
G78791 DHHS Program Manager I	.75	.50	\$44,560	\$31,192
Benefits.....			\$15,596	\$10,917
Operating.....			\$16,062	\$11,243
Travel.....				
Capital Outlay.....				
Aid.....			\$475,000	\$475,000
Capital Improvements.....				
TOTAL.....			\$551,218	\$528,352