

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	See Below		See Below	
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS	See Below	See Below	See Below	See Below
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

LB 340 provides for all programs, services, and duties of the Division of Veterans' Homes of the Department of Health and Human Services (HHS) be transferred to the Department of Veterans' Affairs effective July 1, 2017.

The bill establishes a Department of Veterans' Affairs Cash Fund. All money remaining in the Health and Human Services Cash Fund on July 1, 2017, which was credited to the fund per current maintenance requirements for veterans' is to be transferred to the new fund. Any other federal funds, cash funds, canteen funds, custodial funds, gifts, trusts, grants and other appropriations are also transferred.

Employees, real and personal property, and contracts of the Division of Veterans' Homes are also transferred to the Department of Veterans' Affairs on such date.

Expenditures: It is assumed the bill will have no net fiscal impact for the state in the next biennium. The Department of Health and Human Services (HHS) and the Department of Veteran Affairs (DVA) indicate that total appropriations for the veterans' homes (Program 519) and administrative central office staff serving the veterans' (Program 33) will be transferred from HHS to DVA beginning in FY2017-18. The Governor's total recommended funding for these activities is \$64.5 million in FY18 and \$65.2 million in FY19.

It is assumed the two agencies have agreed that the number of employees and funding to be transferred from the HHS administration program to DVA will be \$1,709,311 of general funds in FY18 and \$1,726,404 of general funds in FY19. The Appropriations Committee will have a preliminary recommendation on the biennial budget for the veterans' homes in the next week and a final recommendation later in the legislative session. It is assumed the final appropriation approved by the Legislature for the veteran's homes and the amount agreed to by the agencies for administration will be transferred to DVA. The recommendation will include the fund mix to operate the veterans' homes, so any recommendation regarding the fund mix to operate the veterans' homes is not a fiscal impact associated with the bill.

It is possible the transfer of the administration and operation of the veteran's homes to DVA could have an unknown fiscal impact in the future depending upon decisions made by DVA relative to the administration and operation of the veterans' homes.

Revenue: The transfer of the administration of the veterans' homes to DVA will not result in any increase or decrease in cash or federal fund revenue according to the agencies involved in the transfer.

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Pat Weber

Date Prepared:(4) 1-13-17

Phone: (5) 471-6351

	<b>FY 2017-2018</b>		<b>FY 2018-2019</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$(25,937,800)		\$(26,246,038)	
<b>CASH FUNDS</b>	\$(14,985,901)	\$(10,634,362)	\$(15,103,000)	\$(12,642,195)
<b>FEDERAL FUNDS</b>	\$(23,612,782)	\$(15,850,459)	\$(23,841,836)	\$(18,542,861)
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$(64,536,483)	\$(26,484,821)	\$(65,190,874)	\$(31,185,056)

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

**Explanation of Estimate:**

LB 340 transfers the DHHS Division of Veterans' Homes to Department of Veterans' Affairs. The Fiscal Note is based on LB 327 Mainline Appropriation for Program 519 Division of Veterans' Homes plus 37 FTE support staff and \$486,979 OCIO cost from Program 033 Administration General Fund Appropriation. The Program 033 Administration 37 FTE includes the 1% increase in PSL with adjustments for benefits including 5.75% health insurance increase per the Governor's recommendations. The FTE and revenue for Program 519 Veterans' Homes are from the FY 2018-2019 Biennium Budget Request.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2017-2018	2018-2019
	17-18	18-19	EXPENDITURES	EXPENDITURES
Program 519 Veterans Homes FTE per biennial request	(810.75)	(810.75)	\$(32,386,387)	\$(32,635,726)
Program 033 DHHS General Operations FTE moved to Veterans' Affairs'	(37)	(37)	\$(1,709,311)	\$(1,726,404)

Benefits.....	\$(12,108,535)	\$(12,479,935)
Operating.....	\$(17,845,804)	\$(17,862,363)
Travel.....	\$(459,095)	\$(459,095)
Capital Outlay.....	\$(27,351)	\$(27,351)
Aid.....		
Capital Improvements.....		
<b>TOTAL.....</b>	<b>\$(64,536,483)</b>	<b>\$(65,190,874)</b>

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

State Agency or Political Subdivision Name:028 Nebraska Department of Veterans Affairs

Prepared by: John McNally

Date Prepared:(4) 1-20-17

Phone: 402-471-2458

	<b>FY 2017-2018</b>		<b>FY 2018-2019</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$24,300,390		\$24,585,829	
<b>CASH FUNDS</b>	\$15,624,213	\$10,634,362	\$15,750,200	\$12,642,195
<b>FEDERAL FUNDS</b>	\$24,611,880	\$15,850,459	\$24,854,845	\$18,542,861
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	<b>\$64,536,483</b>	<b>\$26,484,821</b>	<b>\$65,190,874</b>	<b>\$31,185,056</b>

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	Program 519 Veterans Homes FTE per biennial request	810.75	810.75	\$32,386,387	\$32,635,726
	Program 033 DHHS General Operations FTE moved to Veterans' Affairs'	37	37	\$1,709,311	\$1,726,404
	Benefits.....			\$12,108,535	\$12,479,935
	Operating.....			\$17,845,804	\$17,862,363
	Travel.....			\$459,095	\$459,095
	Capital Outlay.....			\$27,351	\$27,351
	Aid.....				
	Capital Improvements.....				
	<b>TOTAL.....</b>			<b>\$64,536,483</b>	<b>\$65,190,874</b>