

PREPARED BY: Liz Hruska  
 DATE PREPARED: March 01, 2021  
 PHONE: 402-471-0053

**LB 489**

Revision: 00

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

This bill prohibits an agency to enter into a new contract or renew an existing contract in excess of \$15 million for child welfare services or services for vulnerable adults unless the agency has submitted a financial stability and service capability analysis and subsequently has received certification from the Material Division of the Department of Administrative Services.

The provisions of the bill would require additional work for both the Department of Health and Human Services and the Department of Administrative Services. The additional work would not require any additional resources.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 489	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 3-2-2021	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Department of Health and Human Services' assessment of fiscal impact.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 489	AM:	AGENCY/POLT. SUB: Nebraska Department of Administrative Services	
REVIEWED BY: Ann Linneman	DATE: 1-27-2021	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Department of Administrative Services' assessment of no fiscal impact.			

**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 Michalski

Date Prepared 1-20-2021

Phone: (5) 471-6719

	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	See Below		See Below	

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

**Explanation of Estimate:**

LB 489 prohibits a state agency from entering into a new contract, or renew an existing contract, for child welfare services or services to vulnerable adults in excess of \$15 million without first submitting a proof of need and financial stability analysis to the Department of Administrative Services (DAS) and receiving approval from DAS.

This will extend the bidding process and procurement time of staff to review and evaluate the necessary documents for the contract bidding. Additional staff could be required to process bids for the contracts in excess of \$15 million. While the bill describes child welfare services, the provision that states "vulnerable adults" could be interpreted to mean any adult population which would impact Medicaid Managed Care Organizations (MCOs) contracts and Behavioral Health regional subawards. Any delay in contract implementation could put individuals or providers at risk of not receiving services due to a contractual delay.

The new additional work would be handled by existing staff but could require additional staff and staff time if the procurement process is above the current staff time allotted to procurement of contracts.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2021-2022	2022-2023
	POSITION TITLE	21-22	22-23	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>				

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

**2021**

**LB<sup>(1)</sup> 489**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Administrative Services (DAS) – Materiel Division - State Purchasing Bureau (SPB)

Prepared by: <sup>(3)</sup> Jennifer Sommars-Link Date Prepared: <sup>(4)</sup> 1/21/2021 Phone: <sup>(5)</sup> 402-471-1405

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

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Explanation of Estimate:**

LB 489 proposes to add an additional requirement to enter into a new proposed contract or renew an existing contract for child welfare services or services to vulnerable adults in excess of \$15 million. In addition to the proof-of-need analysis, a financial stability and service capability analysis would be submitted to and certified by the Department of Administrative Services (DAS) - Materiel Division, State Purchasing Bureau (SPB). The legislation details the required information for the financial stability and service capability analysis.

This bill proposal would require the additional information necessary from the bidding vendors to be supplied with the request for proposal (RFP). This proposal would also require the State agency managing the contract to re-request the required information for the financial stability and service capability analysis prior to a contract renewal. The renewed information would then need to be submitted to DAS-SPB and a re-certification for the renewal period would be required prior to any renewal being executed.

While this bill does impose additional duties and responsibilities on DAS-SPB, such duties could be completed with existing staffing and resources.

There is no anticipated fiscal impact to DAS-Materiel - SPB.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>21-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____