

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

This bill establishes the Care Team Innovation Grant Pilot Project Act. The Department of Health and Human Services is required to establish a competitive grant process for innovation in delivery of health care by hospitals. The grant recipients would report the results from the expenditure of the grants by December 31, 2024. The bill states legislative intent to appropriate \$2 million one-time in FY 2023 to Program 262 in the Department of Health and Human Services from federal funds from the Coronavirus State Fiscal Recovery Fund under the American Rescue Plan Act.

Additional staff would be needed to implement and monitor the grant program. It is assumed that the administrative costs would be included in the \$2 million appropriation. The department indicates two program managers would be required in FY 2023 to initially implement the program. Beginning in FY 2024 and continuing through FY 2025, only one program manager is needed. The staff and operating costs would be \$183,000 in FY 2023, and \$90,000 in FY 2024 and FY 2025. The remaining balance of approximately \$1.6 million would be available for the grants. It is assumed the one-time appropriation would be reappropriated and expended over three fiscal years.

The bill directs the use of a portion of American Rescue Plan Act (ARPA) funding available under the Coronavirus State and Local Fiscal Recovery Funds (SLFRF).

The following are the allowed uses of SLFRF funds:

- **Replace lost public sector revenue**, using this funding to provide government services up to the amount of revenue lost due to the pandemic
- **Respond to the far-reaching public health and negative economic impacts of the pandemic**, by supporting the health of communities, and helping households, small businesses, impacted industries, nonprofits, and the public sector recover from economic impacts
- **Provide premium pay for essential workers**, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, to support vital wastewater and storm water infrastructure, and to expand affordable access to broadband internet

Technical Note: The grant program would be state aid appropriated to Program 514. The staff and operating costs would be appropriated in Program 033.

LB: 1044	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 2-9-2022	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Department of Health and Human Services' assessment of fiscal impact. Grants should not be awarded under the general administration program for the agency. The maximum funding available under the federal Coronavirus State Fiscal Recovery Fund is \$1.04 billion, of which only \$520 million is currently available. Appropriation of these funds must be balanced in aggregate in order to avoid over obligation.			

**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 2-8-2022

Phone: (5) 471-6719

	<u>FY 2022-2023</u>		<u>FY 2023-2024</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>	\$2,000,000	\$0	\$0	\$0
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$2,000,000	\$0	\$0	\$0

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

**Explanation of Estimate:**

LB 1044 creates the Care Team Innovation Grant Pilot Project Act to be administered by the Department of Health and Human Services (DHHS). DHHS would develop and manage the grant program designed to encourage health care facilities to develop new models of health care delivery for the future. LB 1044 appropriates \$2,000,000 for FY 2022-2023 from the Coronavirus State and Local Recovery Program (SLFRP) funds allocated to Nebraska under the American Rescue Plan Act (ARPA).

This fiscal note assumes that program administrative costs are included in the appropriated amount. However, appropriations for administrative expenses must be made under Program 033 – Administration. Administrative costs would require at least 2.0 FTE DHHS Program Manager II personnel to design, implement and monitor the grant program for Fiscal Year 2022-2023 and at least 1.0 FTE DHHS Program Manager II for Fiscal Year 2023-2024 and FY2024-2025. It is expected that the pilot project would be completed by December 31, 2024 with project closeout and reporting completed by June 30, 2025. Continued collaboration and monitoring would be required to confirm that Federal reporting and closeout requirements per SLFRP and ARPA rules are met. The amount of funding available for grants will be reduced by the total administrative costs.

The annual estimated costs for program administration is as follows:

<u>Position</u>	<u>FY 22-23</u>	<u>FY 23-24</u>	<u>FY24-25</u>
DHHS Program Manager II – 2.0 FTE @ \$30.105 hour	\$125,237		
DHHS Program Manager II – 1.0 FTE @ \$30.105 hour		\$62,618	\$62,618
Employer Paid Benefits	\$42,869	\$21,434	\$21,434
Operations Costs	\$48,415	\$24,207	\$24,207
<b>Total Estimated Personnel Costs</b>	<b>\$216,521</b>	<b>\$108,259</b>	<b>\$108,259</b>

As stated in LB 1044, the appropriated amount would be made under program 262 – Public Health Administration within the program 033 umbrella. The amounts for department administrative costs listed above are correct to be appropriated in program 033. However, because the pilot project grants are not department administrative costs, the grant amounts should be paid from Public Health Aid program 514.

**MAJOR OBJECTS OF EXPENDITURE**

<u>PERSONAL SERVICES:</u>	<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-2023</u>	<u>2023-2024</u>
		<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>

Benefits.....		
Operating.....	\$2,000,000	\$0
Travel.....		
Capital Outlay.....		
Aid.....		
Capital Improvements.....		
<b>TOTAL.....</b>	<b>\$2,000,000</b>	<b>\$0</b>