

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$86,306			
CASH FUNDS				
FEDERAL FUNDS	\$16,000,000			
OTHER FUNDS				
TOTAL FUNDS	\$16,086,306		See Below	

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

This bill appropriates \$16 million from the federal Coronavirus State Fiscal Recovery Fund to the Department of Health and Human Services in FY 2023 for Program 502. The funds would be used for local public health departments distributed in the following manner: 1) \$10 million distributed evenly for one-time infrastructure needs and any other costs including testing, personal protective equipment and other preventative measures to combat COVID-19 and any mutations and 2) \$6 million distributed proportionately based on the number of individuals employed at each local health department for premium pay for such individuals. The bill has the emergency clause.

The funds are appropriated in FY 2023. It is unclear if this amount would be expended in one year. The department would need a program specialist for compliance and monitoring activities and verification of employment status for those receiving premium pay. The estimated costs are \$86,306 annually and would be needed until all funds are expended and federally required reports are completed. As the appropriation is fully allotted, the cost would be from General Funds.

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

LB: 1138	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services		
REVIEWED BY: Ann Linneman	DATE: 2-24-2022	PHONE: (402) 471-4180		
COMMENTS: No basis to disagree with the Nebraska Department of Health and Human Services' assessment of fiscal impact. Admin costs should be 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. Technical Note: The language in LB 1138 does not provide the level of detail necessary to enact the appropriation intended.				

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 2-24-2022

Phone: (5) 471-6719

	<u>FY 2022-2023</u>		<u>FY 2023-2024</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$86,306	\$0	\$86,306	\$0
CASH FUNDS				
FEDERAL FUNDS	\$16,000,000	\$0	\$0	\$0
OTHER FUNDS				
TOTAL FUNDS	\$16,086,306	\$0	\$86,306	\$0

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

Explanation of Estimate:

LB1138 appropriates \$16,000,000 in Federal Funds for FY2022-2023 to the Department of Health and Human Services (DHHS) for distribution purposes to all Nebraska Local Health Departments (LHDs). \$10,000,000 of the appropriation is to be distributed evenly to the LHDs and be used for one-time infrastructure needs and other costs as specified in the bill. \$6,000,000 of the appropriation is to be distributed proportionately to the LHDs and be used for premium pay to individual employees.

LB1138 gives authority to DHHS to distribute the funds only and does not address any other duties regarding monitoring or compliance, nor provide an intended means to pay for costs associated with those type of activities.

Should LB1138 be amended to add authority for DHHS to perform those duties, an additional appropriation should be made under Program 033 – Administration. If requested, the majority of program administrative duties would begin July 1, 2022 and continue until the expenditure deadline of December 31, 2026 to allow time for infrastructure projects to be developed, procured and completed by the LHDs. Compliance and monitoring activities would require an additional 1.0 FTE Program Specialist at DHHS. Duties would include receiving and reviewing regularly submitted reports to DHHS by the LHDs as well as verification of employment status for each employee receiving premium pay. There would also be administrative duties as required to be in compliance with the American Rescue Plan Act (ARPA), State and Local Fiscal Recovery Fund (SLFRF) rules.

Estimated costs to provide program administration for the next 2 fiscal years are listed below. An appropriation to cover program administration would need to be added annually from July 1, 2022 through December 31, 2026.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2022-2023	2023-2024
		22-23	23-24	EXPENDITURES	EXPENDITURES
	DHHS Program Specialist	1	1	\$49,920	\$49,920
	Benefits.....			\$17,088	\$17,088
	Operating.....			\$19,298	\$19,298
	Travel.....				
	Capital Outlay.....				

Aid.....
Capital Improvements.....
TOTAL.....

	<u>\$16,000,000</u>	<u>\$0</u>
	<u>\$16,086,306</u>	<u>\$86,306</u>