

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				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below			

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

This bill states legislative intent to appropriate federal funds in FY 2023 to provide a \$1,000 bonus payment to every teacher, child care worker and health care provider using federal funds from the State Fiscal Recovery Fund under the American Rescue Plan Amendment. The bill contains the emergency clause.

The bill does not designate the state agency or agencies that would administer the bonus payments. The bill also does not provide definitions of the professions to which the bonus payments would apply.

There are approximately 42,000 pre-kindergarten, primary grade school and secondary grade school teachers. The cost for these teachers would be \$42 million. It is unclear if community college and university teachers are included. For the purposes of this fiscal note, since they are not required to be certified, it is assumed they are not included.

There are 120,000 health care workers. The cost for bonuses for all health care workers would be \$120 million.

There are approximately 24,000 child care providers. The cost for bonuses for all child care providers would be \$24 million.

There would be additional costs to administer the bonuses. Those costs are likely to be around 100,000. For purposes of this fiscal note, it is assumed the administrative costs would also be funded through the federal State Fiscal Recovery Fund.

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: No state agency or budget program is identified.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1131 AM: AGENCY/POLT. SUB: Nebraska Department of Health and Human Services

REVIEWED BY: Gary Bush DATE: 2/24/22 PHONE: (402) 471-4161

COMMENTS: No basis to disagree with the estimate provided by the agency.
The bill is silent on what state agency would manage this program and does not contain a total amount of ARPA federal funds that will be required.
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 section 1 of the bill does not provide the level of detail necessary to enact the appropriations intended

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1131 AM: AGENCY/POLT. SUB: Nebraska Department of Education

REVIEWED BY: Gary Bush DATE: 2/4/22 PHONE: (402) 471-4161

COMMENTS: Agree with the agency that the bill would provide ARPA federal funds for a \$1,000 payment to "every teacher, child care worker, and health care worker". The estimate of impact for only school teacher appears to be reasonable. The actual impact of the bill is much higher.
The bill is silent on what state agency would manage this program and does not contain a total amount of ARPA federal funds that will be required.
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 section 1 of the bill does not provide the level of detail necessary to enact the appropriations 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	\$0	\$0	\$0	\$0
CASH FUNDS				
FEDERAL FUNDS	\$144,581,297		\$0	
OTHER FUNDS				
TOTAL FUNDS	\$144,581,297	\$0	\$0	\$0

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

Explanation of Estimate:

LB1131 will appropriate federal funds for bonus payments of \$1,000 each for every teacher, child care worker, and health care worker using the Federal Coronavirus State Fiscal Recovery Fund pursuant to the Federal American Rescue Plan Act [ARPA].

There are an estimated 120,000 health care workers and 24,000 estimated child care workers. The Department of Education will have the information regarding teachers. The total estimated costs for health care workers would be \$120,000,000. The total estimated costs for child care workers, including approximately 3,000 child care licenses and 470 license-exempt subsidy providers, would be \$24,000,000. Total estimated costs for health care workers and child care workers combined would be \$144,000,000.

The legislative bill does not specify how the funds will be distributed. Assuming that DHHS will distribute payments for child care and health care workers, time will be required to develop a process for application, review, and distribution as DHHS does not have administrative capacity. This will require DHHS to issue a request for proposal (RFP) at a minimum estimated cost of \$500,000. LB 1131 has an emergency clause that the law goes into effect once approved. The funds will be fully distributed in Fiscal Year 2022-2023.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2022-2023	2023-2024
	22-23	23-24	EXPENDITURES	EXPENDITURES
K73210 DHHS Program Specialist	1	1	\$47,540	
Benefits.....			\$15,579	
Operating.....			\$518,178	
Travel.....				
Capital Outlay.....				
Aid.....			\$144,000,000	
Capital Improvements.....				
TOTAL.....			\$144,581,297	

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2022

LB⁽¹⁾ 1131

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Lane Carr Date Prepared: ⁽⁴⁾ 1.20.22 Phone: ⁽⁵⁾ 4024193012

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	<u>\$42,090,000+</u>	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>Over</u> <u>\$42,090,000</u>	_____	_____	_____

Explanation of Estimate:

The bill would appropriate \$1,000 bonus payments to every teacher, childcare worker, and healthcare worker in the state using federal funds. The NDE is only able to calculate the fiscal impact of this bill as it pertains to teachers. There are 38,905 public school PK-12 teachers, and 3,185 private school educators. For these 42,090 teachers, the total impact would be \$42,090,000.

Additional costs would be incurred for childcare workers and healthcare practitioners.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u> <u>EXPENDITURES</u>	<u>2023-24</u> <u>EXPENDITURES</u>
	<u>22-23</u>	<u>23-24</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	\$42,090,000	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	\$42,090,000	_____