This bill appropriates $40 million to the Department of Health and Human Services in FY 2023 from federal Coronavirus State Recovery Fund. The funds would be used in the following manner: 1) $20 million to be awarded to nonprofit organizations that focus on food distribution in ten or more counties and qualify of the Emergency Food Assistance Program for the purchase and distribution of food, infrastructure and equipment and construction of increased capacity and 2) $20 million to be awarded for regional or local capacity and food security innovation grants. The department is required to create a process for soliciting, vetting, awarding and monitor grants or contracting with the third party to handle those responsibilities. The bill has the emergency clause.

Although the funds are appropriated in FY 2023, it is assumed in this fiscal note that due to the large amount funding available, the expenditures would occur over more than one fiscal year. The department indicates a need for a program specialist at a cost of $77,446 annually through the duration of the expenditure of the funds. The department estimates a third party contractor would cost approximately $2 million. This appears to be reasonable as it is 5 percent of the total funding. It is assumed the administrative costs are from General Funds as all appropriated funds are allocated in the bill.

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). SLFRF funds must be committed by December 31, 2024, and expended by December 31, 2026.

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

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

<table>
<thead>
<tr>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
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<tr>
<td>EXPENDITURES</td>
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<td>GENERAL FUNDS</td>
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<td>CASH FUNDS</td>
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<td>FEDERAL FUNDS</td>
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<td>OTHER FUNDS</td>
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<tr>
<td>TOTAL FUNDS</td>
<td>$42,077,446</td>
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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

COMMENTS: No basis to disagree with the Nebraska Department of Health and Human Services’ assessment of fiscal impact.

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 1201 does not provide the level of detail necessary to enact the appropriation intended.
LB1201 would appropriate a total of $40,000,000 from the Federal Coronavirus State Fiscal Recovery Fund to the Department of Health and Human Services [DHHS] for Fiscal Year 2022-2023. This bill contains an emergency clause.

$20,000,000 would be appropriated to nonprofit organizations that focus on food distribution and qualifies for the Emergency Food Assistance Program [TEFAP].

$20,000,000 would be appropriated for regional or local capacity and food security innovation grants to reduce food insecurity and encourage local and healthy eating habits.

DHHS would need general funds to pay for any additional administrative costs.

The estimated cost of a third-party contractor is $2,000,000. 1 additional Program Specialist would be needed in order to monitor the contract.