

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
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.**

No fiscal impact.

The Department of Labor and Department of Department of Health and Human Services provided fiscal notes expressing concerns with the potential lack of immediate adequate funding for services during a potential future emergency situation. However, this concern does not account for the Governor’s Emergency Program’s ability to provide funding in the short-term to meet immediate needs that an agency may not have adequate funding for within its existing appropriation while the Legislature takes action to appropriate any federal funding received.

The Military Department did not provide a fiscal note.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
<b>LB: 284</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Nebraska Department of Labor (23)</b>
REVIEWED BY: Joe Wilcox	DATE: 02/23/2021	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Department of Labor estimate of Indeterminate Fiscal Impact to the Agency from LB 284.		

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
<b>LB: 284</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Nebraska Department of Health and Human Services (25)</b>
REVIEWED BY: Joe Wilcox	DATE: 02/23/2021	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Department of Health and Human Services (DHHS) estimate of Indeterminate Fiscal Impact to the Agency from LB 284.		

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

2021

LB<sup>(1)</sup> 284

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Labor

Prepared by: <sup>(3)</sup> Katie Thurber Date Prepared: <sup>(4)</sup> 2-22-2021 Phone: <sup>(5)</sup> 402-471-9912

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	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate: NDOL does not have a reasonable manner to compute the future impact of LB 284 because it is unknown what future emergencies will happen and when. In calendar year 2020, NDOL received significant increases in federal administrative funds to administer both the existing state unemployment insurance benefit program and the new federal unemployment programs. NDOL requested administrative appropriation pursuant to section 257 of LB294 (2019). NDOL implemented four new federal programs (federal pandemic unemployment compensation [FPUC], pandemic unemployment assistance [PUA], pandemic emergency unemployment compensation [PEUC], and Lost Wage Assistance [LWA]) and is in the process of implementing a fifth (Mixed Earner Unemployment Compensation [MEUC]). Each of the programs received both administrative funds and benefits.

Under LB 284 as drafted, NDOL would not have been able to use any of the funds or pay any benefits under the federal programs until an appropriation was completed during a special session. Because bills were passed throughout the pandemic, multiple special sessions would have been required. The Legislature specifically adjourned during the onset of the COVID-19 pandemic, so NDOL assumes no special session would have been held prior to reconvening on July 20, 2020. This means NDOL would not have been able to implement Federal Pandemic Unemployment Compensation, Pandemic Unemployment Assistance, or Pandemic Emergency Unemployment Compensation in state fiscal year 19-20. Additionally, NDOL would not have had the administrative funds available to handle the volume of regular unemployment insurance claims. For fiscal year 19-20, NDOL paid \$201,372,719 in regular UI benefits from March 15, 2020 to June 30, 2020. This was an increase of over \$185 million from the same timeframe in 2019. NDOL estimates \$167,908,114 would not have been paid. Further, NDOL paid \$573,297,228 in federal programs in FY19-20. NDOL would not have been able to pay this. Assuming an emergency of similar impact in FY 21-22 and FY 22-23, NDOL would not be able to pay due insufficient administrative funds and this would have decreased benefit payments to unemployed Nebraskans by approximately \$167,908,114 for regular unemployment insurance benefits and \$573,297,228 in federal benefits. Additionally, NDOL would have lost \$8,480,734 in federal administrative funds for FY 19-20.

Regarding Section 10(a) of LB284, application for maximum federal relief funding may have state match implications.

**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>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....			_____	_____
Operating.....			_____	_____
Travel.....			_____	_____
Capital outlay.....			_____	_____
Aid.....			_____	_____
Capital improvements.....			_____	_____
<b>TOTAL</b> .....			_____	_____

**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 2-23-2021

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 284 would require the Legislature to appropriate funding to state agencies when emergency federal funds are available as a result of an emergency declaration.

The potential delay in delivery of emergency services and aid could present fiscal challenges for the Department of Health and Human Services to take timely necessary administrative actions in the event of an emergency. If federal funding were available during a declared emergency, the Department could only utilize those funds if the Legislature was in session. This delay could jeopardize federal awards if there are obligation or liquidation requirements for those funds. The cost to the state is indeterminable due to the specific circumstances of a declared emergency and the funding required.

**MAJOR OBJECTS OF EXPENDITURE**

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