

**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	See Below			
CASH FUNDS				
FEDERAL FUNDS	\$5,462,800			
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$5,462,800</b>			

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

This bill appropriates \$5,462,800 in federal funds in FY 2023 from Coronavirus State Fiscal Recovery Fund under the American Rescue Plan Act (ARPA). The funds are to be used to pay assisted living facilities \$400 per bed. The assisted living facilities could only use the funds for incentives for staff to enhance recruitment and retention and for supplies and equipment. The bill has the emergency clause.

There would be one-time administrative costs to process the payments and monitor the use of the funds in compliance with the provisions of this bill and the Coronavirus State and Local Fiscal Recovery Fund (SLFRF). The estimated costs are \$75,000 in FY 2023. The Treasury Department guidance on the use of SLFRF states, "SLFRF funds may not be used as the nonfederal share for purposes of a state's Medicaid and CHIP programs. . ." Assuming the restriction only applies to the FMAP and not the administrative match, the administrative costs of \$75,000 would be paid from 50% general funds and 50% federal 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 Fund (SLFRF).

The following are the allowed uses of SLFRF:

- **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 budget program is identified. A new budget program number may be needed.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 996	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 2-16-2022	PHONE: (402) 471-4180	
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 996 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 2-16-2022

Phone: (5) 471-6719

	<u>FY 2022-2023</u>		<u>FY 2023-2024</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$37,500			
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$5,500,300	\$0	\$0	\$0
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	<u>\$5,537,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**Explanation of Estimate:**

This bill appropriates \$5,462,800 million dollars of federal funds to Department of Health and Human Services (DHHS) in FY2023 from the federal Coronavirus State Recovery Fund pursuant to the federal American Rescue Plan of 2021, Public Law 117-2, Subtitle M, Sec. 9901.

The bill directs the appropriation to DHHS to be distributed by DHHS to Nebraska licensed Assisted Living Facilities (ALF) in the amount of \$400 per licensed bed for every licensed ALF.

The bill requires ALFs to use the distribution for incentives for staffing (retention/recruitment) and for offsetting costs associated with supplies and equipment purchased by the facility.

The bill does not specify which program will be appropriated.

Beyond the stated appropriations there will be significant staff time and costs (or contracted staff/vendors costs) to carry out this bill to calculate the payments and distribute the payments. The Department of Health and Human Services estimates that this bill creates administrative costs to execute potentially well over 500 additional manual payments. The Department of Health and Human Services estimates contract costs of approximately \$75,000 for Program 033 to perform this work FY2023, eligible for 50% Federal Financial Participation (FFP).

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2022-2023 EXPENDITURES	2023-2024 EXPENDITURES
	POSITION TITLE	22-23		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$5,537,800	\$0
Capital Improvements.....				
<b>TOTAL.....</b>			<u>\$5,537,800</u>	<u>\$0</u>