

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	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.

LB 526 has intent language to appropriate an additional \$2,106,500 of General Funds for FY 2023-24 and \$3,141,500 of General Funds for FY 2024-25 to the Department of Health and Human Services, for Developmental Disability Aid. The intent of LB 526 is to maintain the increases in the FY 2022-23 DD provider rates for the current biennium that were provided through the 2022 American Rescue Plan Act (ARPA).

The ARPA Bill (LB 1014) passed in 2022 included the following amounts for rate increases for DD agency providers:

- (1) \$20,000,000 for FY2022-23;
- (2) \$15,000,000 for FY2023-24; and
- (3) \$12,500,000 for FY2024-25.

See the following for a breakdown of the funding sources that would be required to maintain funding at the FY 2022-23 level:

	ARPA	General Funds-DD Aid	Federal Funds- Medicaid	Total Funds
FY 2022-23	\$20,000,000	\$0	\$0	\$20,000,000
FY 2023-24	\$15,000,000	\$2,106,500	\$2,893,500	\$20,000,000
FY 2024-25	\$12,500,000	\$3,141,500	\$4,358,500	\$20,000,000

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

LB: 526 AM: AGENCY/POLT. SUB: Nebraska Department of Health & Human Services

REVIEWED BY: Ann Linneman DATE: 3-20-2023 PHONE: (402) 471-4180

COMMENTS: The Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact to the department appears reasonable.

Technical Note: The current appropriation language is not sufficient to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804.

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 3-17-2023

Phone: (5) 471-6719

	<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$2,106,500	\$0	\$3,141,500	\$0
CASH FUNDS	\$0	\$0	\$0	\$0
FEDERAL FUNDS	\$0	\$0	\$0	\$0
OTHER FUNDS	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$2,106,500	\$	\$3,141,500	\$0

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

Explanation of Estimate:

LB 526 contains an intent to appropriate \$2,106,500 general funds for FY24, and an additional \$3,141,500 general funds in FY25 to the Department of Health and Human Services for Developmental Disability Aid.

It appears the intent of LB526 is to maintain DD provider rate increases from 2022 in LB1014 funded by the federal American Rescue Plan Act (ARPA). The ARPA funding in FY23 was \$20M but is reduced to \$15M in FY24 and \$12.5M in FY25. The reduction of \$5M in FY24 would be eligible to be matched with federal funds leaving the needed general fund portion of \$2,106,500 to maintain the 2022 ARPA provider rate increase. The further reduction of \$2.5M in FY25 creates the need for \$3,141,500 in general funds for FY25. ARPA funding from LB 1014 ends after FY25.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2023-2024	2024-2025	
	POSITION TITLE	23-24	24-25	EXPENDITURES	EXPENDITURES
				\$0	\$0
Benefits.....				\$0	\$0
Operating.....				\$2,106,500	\$3,141,500
Travel.....				\$0	\$0
Capital Outlay.....				\$0	\$0
Aid.....				\$0	\$0
Capital Improvements.....				\$0	\$0
TOTAL.....				\$2,106,500	\$3,141,500