

PREPARED BY: Mikayla Findlay
 DATE PREPARED: January 18, 2023
 PHONE: 402-471-0062

LB 653

Revision: 00

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	\$10,000,000		\$10,000,000	
OTHER FUNDS				
TOTAL FUNDS	\$10,000,000		\$10,000,000	

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

This bill appropriates \$20 million in Federal Funds from the TANF, Temporary Assistance for Needy Families, excess surplus reserve, to the Department of Health and Human Services (DHHS) for the purpose of managing and distributing grants to mentorship programs organizations throughout Nebraska. The bill caps administrative expenditures of funds authorized in this section to \$300,000 for FY24 and \$300,000 for FY25.

DHHS indicates the agency would need approval from the Administration for Children and Families (ACF) to amend these provisions into the Nebraska State Plan. Due to procurement needs, the Division of Children and Family Services would need 6 to 9 months to implement this bill. One additional Program Specialist would be needed to administer the Request for Proposal process, review and approve applications, and verify the mentorship organizations meet Federal TANF criteria for program funding. The cost of the additional staff member amounts to \$74,677 in FY24 and \$78,410 in FY25 which is within the administrative allowance set forth by the bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	653	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services
REVIEWED BY:	Ann Linneman	DATE:	3-22-2023
		PHONE:	(402) 471-4180
COMMENTS: The Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact to the department appears reasonable.			
<u>Technical Note:</u> 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 3-22-2023

Phone: (5) 471-6719

	<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	\$10,000,000		\$10,000,000	
OTHER FUNDS				
TOTAL FUNDS	\$10,000,000		\$10,000,000	

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

Explanation of Estimate:

LB 653 would require the Department of Health and Human Services (DHHS) to begin funding mentorship organizations in Nebraska with federal Temporary Assistance for Needy Families (TANF) funds. The bill does not specify whether the TANF funds would support youth mentorships or mentorships involving adults. If LB 653 is intended to include adults, the adult must be a parent or relative caretaker with a child under 19 years of age in their home. Currently, Nebraska has approximately four established youth mentorships in the state.

Per 45 CFR 260.20(a), a TANF-funded program must meet one of four criteria. TANF funds cannot be awarded to mentorship organizations that do not meet the required criteria per Federal TANF regulations. The mentorship organizations would not be able to use TANF funds to supplement other federal funding from other programs that support mentorships per 45 CFR 263.6(b).

The bill requires DHHS to distribute \$20,000,000 in federal TANF funds for FFY2023-2024 to mentorship organizations to provide mentoring services. It also includes a do not exceed of \$300,000 in administrative funds for FY2023-2024 and FY2024-2025. The contracts would be signed in 2024 but not all funds would be expended within the same year due to the length of time needed to implement contracts and start the program. Some of these funds would also be expended in 2025. Approximately \$10,000,000 for FY 2023-2024 and \$10,000,000 for FY 2024-2025. The funds expended on mentorships would account for 17.66% of the state's annual \$56,627,234 TANF grant award.

The current TANF surplus funds could be utilized to fund the mentorship programs. Depending on the pending TANF expenditure plan, the funding requested in this legislation could impact the TANF program in the future. Therefore, specific program funding could be affected if this legislation were passed. There are additional bills introduced this session that would impact TANF funding. If multiple bills pass, current and future TANF funding could be impacted.

Additionally, the Administration for Children and Families (ACF) would need to approve an amendment to Nebraska's State Plan to fund the mentorship organizations. DHHS Procurement would have to initiate a request for applications to award funding to mentorships. Procurement would also need to complete a review of the sub-awards to the organizations before funding is awarded. Due to the procurement needs, CFS would need six to nine months to implement.

LB 653 would require additional staff and verification that the mentorship organizations meet the Federal TANF criteria for program funding. It would impact the funding of current TANF programs and may impact TANF funds for future programs. DHHS would require 1 additional CFS Program Specialist to draft a Request for Applications (RFA), review applications, and approve the fund distributions. It would also require the Program Specialist to provide adequate program oversight and monitoring of the funds granted to mentorship organizations.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2023-2024	2024-2025
	23-24	24-25	EXPENDITURES	EXPENDITURES
K73210 - DHHS Program Specialist	1.00	1.00	\$46,182	\$48,491
Benefits.....			\$16,164	\$16,972
Operating.....			\$12,331	\$12,947
Travel.....				
Capital Outlay.....				
Aid.....			\$9,925,323	\$9,921,590
Capital Improvements.....				
TOTAL.....			\$10,000,000	\$10,000,000