Kathy Tenopir February 26, 2019 471-0058

## LB 642

## Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF	FISCAL IMPACT – ST	ATE AGENCIES (See	narrative for political subdivi	ision estimates)
	FY 201	9-20	FY 20	20-21
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS			\$1,000,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$1,000,000	

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

LB642 would establish the Brain Injury Trust Fund Act. The Act creates a Brain Injury Trust Fund. The fund would consist of appropriations from the Legislature, transfers authorized by the Legislature, grants, and any contributions designated for the purpose of the fund. The fund is to be administered through a contract with the University of Nebraska Medical Center (UNMC) for administration, accounting and budgeting purposes, and used to pay for contracts for assistance for individuals with a brain injury with outside sources that specialize in the area of brain injury. No more than 10% of the fund is to be used for administration.

LB642 would also create a 12-member Brain Injury Oversight Committee which shall:

- Provide financial oversight and direction to UNMC in the management of the trust fund;
- Develop criteria for expenditures from the trust fund;
- Represent the interests of individuals with a brain injury and their families through advocacy, education, training, rehabilitation, research, and prevention.

LB642 states the intent of the Legislature to appropriate \$1,000,000 from the Nebraska Health Care Cash Fund annually beginning in FY2020-21.

The University of Nebraska indicates that of the \$1,000,000 annual appropriation, \$99,600 will be expended for administration and \$900,600 will be expended for grants and contracts.

The Department of Health and Human Services (DHHS) indicates that if the Brain Injury Oversight Committee is the entity that contracts with UNMC, then the only fiscal impact is the inclusion of the Directors of Public Health and Behavioral Health on the committee which would be absorbed by DHHS. If DHHS is responsible for contracting with UNMC then costs for personnel is estimated at \$3,600 General Funds.

ADMINISTRATIVE SERVICES STATE BU	JDGET DIVISION: REVIEW OF AGE	NCY & POLT. SUB. RESPONSE
LB: 642 AM: AGENCY/PC	DLT. SUB: Department of Health and	Human Services (DHHS)
REVIEWED BY: Elton Larson	DATE: 3/8/2019	PHONE: (402) 471-4173
COMMENTS: LB 642 states an intent to appropr	<u>iate</u> \$1,000,000 from the Nebraska ⊢	lealth Care Cash Fund to the Brain
Injury Trust Fund. The Brain Injury trust Fund is	created in LB 642. The statement of	f intent does not provide a valid
mechanism to create a balance in the newly created	ated Brain Injury Trust Fund. The bill	lacks the required transfer of funds
from the Nebraska Health Care Cash Fund to the	e Brain Injury Trust Fund in order to c	pperationalize LB 642.
Transfers from Nebraska Tobacco Settlement Tr	ust Fund and the Nebraska Medicaid	Intergovernmental Trust Fund (IGT) to
the Nebraska Health Care Cash Fund in the amo	ount of \$1,000,000 for FY 2020-21 an	nd each fiscal year thereafter are
included in LB 642. This increased draw on the t	tobacco settlement and IGT funds, ar	nd ultimately the Nebraska Health Care
Cash Fund, exceeds the ability to maintain the fu	unds into perpetuity as evidenced by	the biennial report from the Nebraska
Investment Council to the Legislature regarding t	the sustainability of the Nebraska Hea	alth Care Cash Fund. The increased
reliance on the Nebraska Health Care Cash Fund	d is not sustainable. The Investment	Council report can be found
at:https://nebraskalegislature.gov/FloorDocs/105	/PDF/Agencies/Investment_Council/	139_20180919-102153.pdf

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB <sup>(1)</sup> 642				<b>FISCAL NOTE</b>
State Agency OR Politica	ll Subdivision Name: <sup>(2)</sup>	University of Nebra	aska	
Prepared by: <sup>(3)</sup> Mich	nael Justus	Date Prepared: <sup>(4)</sup>	January 30, 2019 Phone	e: (5) 402.472-7109
	ESTIMATE PROVID	DED BY STATE AGEN	CY OR POLITICAL SUBD	IVISION
	FY 9	2019-20	FY	2020-21
	EXPENDITURES	REVENUE	<b>EXPENDITURES</b>	REVENUE
GENERAL FUNDS				
CASH FUNDS			1,000,000	1,000,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			1,000,000	1,000.000

**Explanation of Estimate:** 

LB642 would create the Brain Injury Trust Fund from the Nebraska Health Care Cash Fund. One million dollars would be appropriated annually beginning in FY 2020-21 and no more than ten percent of the fund would be used for administration of the fund. The fund shall be administered by UNMC and used to pay for contracts for assistance for individuals with a brain injury with outside sources that specialize in the area of brain injury.

BREAKDO	OWN BY MAJO	OR OBJECTS OF	<b>EXPENDITURE</b>	
Personal Services:				
	NUMBER OF	F POSITIONS	2019-20	2020-21
POSITION TITLE	<u>19-20</u>	<u>20-21</u>	<b>EXPENDITURES</b>	<b>EXPENDITURES</b>
Associate Professor		0.10		30,000
Coordinator		0.50		30,000
Office Associate		0.25		10,000
Benefits				19,600
Operating				10,000
Travel				
Capital outlay				
Aid				
Capital improvements				
Contract expenditures				900,400
TOTAL				1,000,000

LB<sub>(1)</sub> <u>642</u>

**FISCAL NOTE** 

## 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 Michalsk	Date Prepa	ared 1-24-19		Phon	e: (5) 471-6719	
	FY 2019-	2020		FY 2020-20	21	
	EXPENDITURES	REVENUE	_	EXPENDITURES	REVENUE	
GENERAL FUNDS						
CASH FUNDS				\$3,600		
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS	\$0	\$C	) -	\$3,600		\$0

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

Explanation of Estimate:

LB 642 creates the Brain Injury Trust Fund and the Brain Injury Oversight Committee. LB 642 names the Director of Public Health and Director of Behavioral Health to serve as committee members. The Brain Injury Oversight Committee is required to meet at least four (4) times per year to provide financial oversight, develop criteria for expenditures and represent the interest of individuals with a brain injury.

The entity responsible for contracting with the University of Nebraska Medical Center (UNMC) in Sec. 5(2)(a) is not clear. If this is intended to be the Brain Injury Oversight Committee, then the only fiscal impact to the Department is the inclusion of the Directors of Public Health and Behavioral Health on the committee and would be absorbed by the Department.

If the Department is responsible for contracting with UNMC to perform the functions in Sec. 5(2)(a), then it would incur the cost of one (1) Health Manager I spending eighty (80) hours per year on contract issuance, execution and other administrative duties (Program 262). This estimate assumes that these costs would be financed by the Brain Injury Trust Fund, pursuant to Sec. 5(2)(c). However, if these labor costs are not included as part of the Brain Injury Trust Fund, then additional general funds of \$3,600 would be required to cover the personnel costs. Additionally, any funding passed through the Department to UNMC via contract would require a corresponding cash appropriation of up to \$1,000,000 in FY21.

LB 642 does not provide for reimbursement of the Directors of Public Health and Behavioral Health's salaries or expenses associated with serving on the Brain Injury Oversight Committee. The estimated cost to the Department is based upon the Directors performing committee duties. The estimate is based upon both Directors working twenty-four (24) hours per year attributable to serving on the committee. Absorbed costs may be reduced if either director is instead represented by a designee as allowed in LB 642.

The Department would absorb the following costs:

(1) Director of Behavioral Health (24) hours @ \$75.46 =	\$1,811
(1) Director of Public Health (24) hours @ \$75.46 =	\$1,811
Benefits	\$1,192
Operations	<u>\$1,570</u>
Total	\$6,384

LB 642 is to be operative on July 15, 2020.

	MAJOR OBJECTS OF EXPEND	DITURE		
PERSONAL SERVICES:				
	NUMBER C	F POSITIONS	2019-2020	2020-2021
POSITION TITLE	19-20	20-21	EXPENDITURES	EXPENDITURES
Health Manager I	0	.04	\$0	\$2,023
Benefits			\$0	\$692
			\$0 \$0	\$692 \$885
Benefits Operating Travel			+-	\$692 \$885
Operating			+-	\$692 \$885
Operating Travel			+-	\$692 \$885
Operating Travel Capital Outlay			+-	\$692 \$885