

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	\$50,000,000			
OTHER FUNDS				
TOTAL FUNDS	\$50,000,000			

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

This bill appropriates \$50 million in FY 2023 to the Department of Health and Human Services from Coronavirus State Fiscal Recovery funds under the American Rescue Plan Act. The funds would be used for a grant program available to any hospital or federally qualified health center for premium pay bonuses to front-line nurses. The grants are capped at no more than \$5,000 per nurse. The bill contains the emergency clause.

It's unclear if the full amount is intended to be expended in FY 2023 or reappropriated and expended over more than one fiscal year. It is assumed for the purposes of this fiscal note that administrative expenses would be included in the \$50 million appropriation. Two program managers would be needed in FY 2023 and FY 2024. If extended beyond two years, only one program manager would be needed through the duration of the grant program. The administrative costs would be \$216,521 each year in FY 2023 and FY 2024 and half that amount if needed beyond FY 2024.

The bill directs the use of a portion of American Rescue Plan Act (ARPA) funding available under the Coronavirus State and Local Fiscal Recovery Funds (SLFRF).

The following are the allowed uses of SLFRF funds:

- **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.

LB: 1055	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 2-9-2022	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 1055 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 2-9-2022

Phone: (5) 471-6719

	<u>FY 2022-2023</u>		<u>FY 2023-2024</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	\$50,000,000	\$0	\$0	\$0
OTHER FUNDS				
TOTAL FUNDS	\$50,000,000	\$0	\$0	\$0

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

Explanation of Estimate:

LB 1055 appropriates \$50,000,000 to the Department of Health and Human Services (DHHS) to create a grant program for hospitals and federally-qualified health centers to provide premium pay bonuses to certain front-line nurses employed by the facility. LB1055 designates the appropriation is from the Coronavirus State and Local Fiscal Recovery Program (SLFRP) funds allocated to Nebraska under the American Rescue Plan Act (ARPA).

LB 1055 states the maximum grant funding available per qualified front-line nurse is \$5,000. The grant application must identify each front-line nurse that will be receive a premium bonus pay from the grant funds awarded.

This fiscal note assumes that program administrative costs are included in the appropriated amount. However, appropriations for administrative expenses must be made under Program 033 – Administration. Administrative costs would require at least 2.0 FTE DHHS Program Manager II during FY2022-2023 and FY2023-2024, and 1.0 FTE DHHS Program Manager II for subsequent years. It is expected that the majority of program duties would continue until the obligation deadline of December 31, 2024 with administrative follow-up duties to occur until the expenditure deadline of December 31, 2026. After this date, there will be additional program administration duties to confirm that Federal reporting and closeout requirements are met. Any costs incurred after the Federal deadline could not be funded with SLFRP, ARPA funds. The amount of funding available for grants will be reduced by the total administrative costs.

The annual estimated costs for program administration are as follows:

<u>Position</u>	<u>FY 22-23</u>	<u>FY 23-24</u>	<u>FY24-25</u>	<u>FY25-26</u>
DHHS Program Manager II – 2.0 FTE @ \$30.105 hour	\$125,237	\$125,237		
DHHS Program Manager II – 1.0 FTE @ \$30.105 hour			\$62,618	\$62,618
Employer Paid Benefits	\$42,869	\$42,869	\$21,434	\$21,434
Operations Costs	\$48,415	\$48,415	\$24,207	\$24,207
Total Estimated Personnel Costs	\$216,521	\$216,521	\$108,259	\$108,259

MAJOR OBJECTS OF EXPENDITURE

<u>PERSONAL SERVICES:</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-2023</u>	<u>2023-2024</u>
	<u>POSITION TITLE</u>	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>
			<u>EXPENDITURES</u>	<u>EXPENDITURES</u>

Benefits.....		
Operating.....	\$50,000,000	\$0
Travel.....		
Capital Outlay.....		
Aid.....		
Capital Improvements.....		
TOTAL.....	\$50,000,000	\$0