Liz Hruska February 15, 2022 402-471-0053

LB 1183

Revision: 00 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					
OTHER FUNDS					
TOTAL FUNDS					

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

This bill states legislative intent to appropriate \$25 million in FY 2023 to the Department of Health and Human Services, Program 502 – Health Aid from Coronavirus State Fiscal Recovery Funds under the American Rescue Plan Amendment (ARPA). The funds would be used for grants to federally qualified health centers for capital projects that expand health care access to Nebraskans most impacted by the COVID-19 public health emergency. The bill has the emergency clause.

Even though the bill states intent to appropriate the \$25 million in FY 2023, as capital projects need significant lead times from planning to completion, it is assumed in this fiscal note that the funds would be expended over a period of fiscal years. State Fiscal Recovery Funds must be committed by December 31, 2024, and expended by December 31, 2026. The Department of Health and Human Services would need a Facilities Construction Coordinator. The costs would be \$97,000 each year. It is assumed those costs would be included in the \$25 million. The administrative costs would be appropriated in Program 033.

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

LB: 1183	AM:	AGENCY/POLT. SU	B: Nebraska Depart	ment 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. Admin costs should be under the general administration program for the agency. 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.					

LB(1) **<u>1183</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) John Meals	Date Prepared 2-9-2022 Phone: (one: (5) 471-6719	
	FY 2022-2	023	FY 2023-2	2024
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	\$25,000,000	\$0	\$0	\$0
OTHER FUNDS				
TOTAL FUNDS	\$25,000,000	\$0	\$0	\$0
=				

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

Explanation of Estimate:

LB 1183 intends to appropriate \$25,000,000 for Fiscal Year 2022-2023 to the Department of Health and Human Services (DHHS) from Federal funds received from the American Rescue Plan Act's State and Local Fiscal Recovery Funds.

LB 1183 designates these funds to be awarded as grants to Nebraska's (7) Federally Qualified Health Centers to be used for capital projects that will expand health care access for those most affected by the COVID-19 Public Health Emergency. LB 1183 states that funds would be appropriated under Program 502 – Public Health Aid.

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 include an additional (1) FTE Facilities Construction Coordinator II with experience in managing capital projects affiliated with health care facilities until the expenditure deadline of December 31, 2026. This will allow time for capital projects to be designed, procured and completed. DHHS is typically not involved in capital project activities, but office support for the position could be provided within DHHS existing resources on a limited basis. Also, it is expected that other administrative follow-up duties will be required to be in compliance with the American Rescue Plan Act (ARPA), State and Local Fiscal Recovery Fund (SLFRF) rules. The amount of funding available for grants will be reduced by the total administrative costs.

The annual estimated costs for program administration from July 1, 2022 until December 31, 2026 is as follows:

Position	FY2022-2023	FY2023-2024	FY2024-2025	FY2025-2026
Facilities Construction Coord II	\$55,840	\$55,840	\$55,840	\$55,840
Benefits	\$19,114	\$19,114	\$19,114	\$19,114
Operations	\$21,587	\$21,587	\$21,587	<u>\$21,587</u>
Estimated Administrative Costs	\$96,541	\$96,541	\$96,541	\$96,541

NUMBER OF POSITIONS	2022-2023	2023-2024
22-23 23-24	EXPENDITURES	EXPENDITURES

Operating		
Travel		
Capital Outlay		
Aid		
Capital Improvements	\$25,000,000	\$0
TOTAL	\$25,000,000	\$0