

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	See below		See below	

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

This bill establishes the Nursing Incentives Scholarship Act to be administered by the Department of Health and Human Services (DHHS). Any recipient of money under the Act who violates the terms of the written agreement must pay back all amounts received by DHHS. To be considered an eligible nursing student, the applicant must:

- a) Not live in Nebraska at the time of application,
- b) Intend to enroll or is enrolled in an accelerated nursing program (as defined by the Act),
- c) Agrees in writing to work for three years in Nebraska as a licensed registered nurse upon completion of the accelerated nursing program.

Upon approval by DHHS, the applicant will receive:

- a) A scholarship that pays for 40% of the costs of tuition at an accelerated nursing program, and
- b) 20% tuition remission each year for the first three years after completion of an accelerated nursing program for service provided in Nebraska.

DHHS may award up to \$4,000,000 under the act for FY24 and \$6,000,000 under the act in FY25 though the fund source is not specified. DHHS indicates the need for 0.5 FTE Program Coordinator starting in July 2023 to administer the program and ensure compliance. The cost of salary, benefits, and added operational expenses for such an employee would be \$42,146 in FY24 and \$44,254 in FY5. Assuming the funds utilized would be general funds and administrative costs would be in addition to the aid award amounts, the cost would be \$4,044,254 in FY24 and \$6,042,146 in FY25. If the administrative costs would be taken out of the total aid award the award would be limited to \$3,957,854 in FY24 and \$5,955,746 in FY25.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	794	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services
REVIEWED BY:	Ann Linneman	DATE:	2-15-2023
		PHONE:	(402) 471-4180
COMMENTS: The Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact to the department appears reasonable.			

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 2-15-2023

Phone: (5) 471-6719

	<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$4,000,000	\$0	\$6,000,000	\$0
CASH FUNDS	\$0	\$0	\$0	\$0
FEDERAL FUNDS	\$0	\$0	\$0	\$0
OTHER FUNDS	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$4,000,000	\$0	\$6,000,000	\$0

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

Explanation of Estimate:

The intent of LB 794 is to appropriate funds for the Nursing Incentives Scholarship Act to target and recruit students to enter the accelerated nursing programs. The accelerated nursing programs are twelve months in length, producing registered nurse graduates. Scholarship monies and tuition remission parameters are established, as well as default parameters.

LB 794 allows the Department of Health and Human Services (DHHS) to award up to \$4 million in scholarships in 2023-2024 and \$6 million in scholarships in 2024-2025. LB794 does not designate a funding source for administrative costs. This fiscal note assumes the total funds required for the program is the amounts stated for FY24 and FY25 and the corresponding A bill will properly separate aid and administrative costs to the correct budget program.

DHHS will need additional staff to implement and manage the scholarship program. This work could be done by a 0.5 FTE DHHS Program Coordinator who ensures nurse scholarships are granted, monitored, and student outcomes are documented. The DHHS Program Coordinator will ensure violations of the terms of the written agreement to work in Nebraska for the first three years after completing the accelerated nursing program are monitored and the Department receives the payback amount.

Collection may become an issue for this type of program. It has been the experience of DHHS that payments of this nature have a high default rate. Often, when money is given to persons, not in Nebraska, it is much harder to find them and to obtain repayment. Additionally, no time frame for repayment or interest is provided for in the bill when there is a default.

There is also an IT impact based on the need to set up an electronic application, a tracking system for the scholarship monies, and track and monitor the 3-year commitment to work in Nebraska. The department will absorb these costs.

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2023-2024	2024-2025
	23-24	24-25	EXPENDITURES	EXPENDITURES
DHHS Program Coordinator (V73260)	0.5	0.5	\$26,064	\$27,368
Benefits.....			\$9,123	\$9,579
Operating.....			\$6,959	\$7,307
Travel.....			\$0	\$0
Capital Outlay.....			\$0	\$0
Aid.....			\$3,957,854	\$5,955,746
Capital Improvements.....			\$0	\$0
TOTAL.....			\$4,000,000	\$6,000,000