

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

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

This bill modifies the Intergenerational Care Facility Incentive Grant Program. The bill expands the scope of the grants to include costs to expand of child care capacity whereas the program is currently limited to start-up costs. The bill also specifies that the department, the Department of Health and Human Services, shall award grants to nonprofit and proprietary facilities on the basis of the date of application, striking a provision that specified priority shall be granted to rural communities for applications filed on the same date. The modifications proposed in the bill have no fiscal impact.

DHHS notes one \$100,000 grant has been awarded thus far under this program. DHHS also notes limited applications were received under the current scope of the program and acknowledges potential issues moving forward due to the fund source, the Medicaid Managed Care Excess Profit Fund, currently being over appropriated compared to projected revenues.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 721	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services
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REVIEWED BY: Ann Linneman	DATE: 1-16-2026	PHONE: (402) 471-4180
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COMMENTS: Concur with the Nebraska Department of Health and Human Services' assessment of fiscal impact.
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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 1-16-26

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	FY 2026-2027		FY 2027-2028	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

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

Explanation of Estimate:

LB721 changes the provisions under section 81-3145 related to the eligibility of grants for the Intergenerational Care Facility Incentive Grant Program. It would remove the prioritization of the grant awards to rural communities, as defined in 81-1228, and make the grants available to nonprofit and proprietary facilities.

Implementation of this bill would require revisions to the existing Request for Application (RFA) on the Department of Health and Human Services (DHHS) Grant Funding Opportunities webpage. Language would need to be added to allow nonprofit and proprietary facilities to be eligible to apply. Additionally, section 2.4 of the RFA must be removed as it references geographical areas. There would be no additional fiscal impact with these updates as current staff will absorb it.

Furthermore, under the Nebraska Revised Statute 81-3145, DHHS was allocated \$300,000 from the Medicaid Managed Care Excess Profit Fund in Fiscal Year (FY) 2024-2025 to provide grants pursuant to this section. DHHS awarded \$100,000 to one grantee out of the total \$300,000 that was allocated from the Medicaid Managed Care Excess Profit Fund. Continued efforts were made by the department multiple times to repost the grant opportunity, however, the level of interest was minimal. LB721 does not appropriate any additional funds but does refer to the funding that was allocated for budget year 2024-2025. Funding through the Medicaid Managed Care Excess Profit is volatile and it lacks the consistency required for long-term sustainability. Continued operation of this initiative may be at risk unless a more stable and sufficient source of funding is identified.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2026-2027	2027-2028
	26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$0	\$0