

Revised to include provisions of AM 3194 and FA 312

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$13,525,000		\$13,525,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$13,525,000		\$13,525,000	

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

As amended by AM 3194 which replaces the original sections and all amendments, this bill establishes the Opioid Prevention and Treatment Cash Fund, the Opioid Treatment Infrastructure Cash Fund, and renames the Nebraska Opioid Recovery Fund as the Nebraska Opioid Recovery Trust Fund. DHHS means Department of Health and Human Services and Division means Division of Behavioral Health. The bill directs the State Treasurer to transfer the following amounts on or after July 1, 2024 but before July 15, 2024 and on or after July 1 but before July 15 of each year thereafter:

- i. \$1,125,000 to the Training Division Cash Fund for the State Fire Marshal
- ii. \$400,000 to the Health and Human Services Cash Fund for staffing for the Overdose Fatality Review Team (DHHS)
- iii. \$3,000,000 to the Opioid Prevention and Treatment Cash Fund and
- iv. An amount determined by the legislature to the Opioid Treatment Infrastructure Fund

The bill states legislative intent that of the total settlement funds received by the State of Nebraska and transferred from the Nebraska Opioid Recovery Trust Fund to the Opioid Prevention and Treatment Cash Fund and to the Opioid Treatment Infrastructure Cash Fund, twenty-five percent of such funds are transferred to the Opioid Prevention and Treatment Cash Fund and seventy-five percent of such funds are transferred to the Opioid Treatment Infrastructure Cash Fund. Due to the Opioid Prevention and Treatment Cash Fund receiving \$3 million and intent that such transfer be 25%, there will be a corresponding transfer of \$9 million transfer to the Opioid Treatment Infrastructure Cash Fund, equaling 75% of 12 million total transfer to the two new funds.

Section 11 creates the Opioid Prevention and Treatment Cash Fund and states legislative intent to appropriate \$3 million to DHHS for disbursement by the Division to regional behavioral health authorities. Section 14 restricts the use of the such funding to opioid treatment and response, data tracking related to the opioid epidemic, supporting individual recovery and rehabilitation related to the opioid epidemic, and opioid use prevention and opioid remediation. The funding is divided into the following proportions:

- a) Region 1, 5.476%
- b) Region 2, 5.112%
- c) Region 3, 10.8982%
- d) Region 4, 8.5833%
- e) Region 5, 25.7421%
- f) Region 6, 44.1869%

Section 12 creates the Opioid Treatment Infrastructure Cash Fund which the Division shall use as appropriated for local and state public-private partnerships for nonprofit and for-profit entities engaged in opioid use prevention and opioid treatment infrastructure projects as determined by the Division including capital construction and renovation. DHHS indicates the provisions will require three positions starting in October 2024 to adequately manage the grant work proposed: a program coordinator, a program specialist, and an accountant II. Total administrative costs are \$159,649 in FY25 (118,258 PSL) and \$223,509 in FY26 (165,562 PSL) and are funded with the Opioid Treatment Infrastructure Cash Fund in Program 33 Administration. The administrative costs cannot exceed an amount equal to 5% of the amount distributed

Section 13 states legislative intent to appropriate \$500,000 General Funds to local health departments for opioid use prevention and opioid remediation under the Opioid Prevention and Treatment Act and that such funding is offset by a reduction in Behavioral Health aid in FY25. Section 15 states legislative intent to appropriate \$250,000 General Funds to the University of Nebraska Medical Center for specific opioid research and that such funding is offset by a reduction in Behavioral Health aid in FY25.

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

LB: 1355 AM: 2559, 2629 AGENCY/POLT. SUB: Nebraska Department of Health & Human Services

REVIEWED BY: Ann Linneman DATE: 3-15-2024 PHONE: (402) 471-4180

COMMENTS: Concur with the Nebraska Department of Health & Human Services' assessment of fiscal impact.

Technical Note: The current appropriation language is not sufficient to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804.

LB (1) 1355 AM2559
AM2629 ER74 AM3194
FA312

FISCAL NOTE

2024

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 4-4-2024

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$12,400,000	\$12,400,000	\$12,400,000	\$12,400,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$12,400,000	\$12,400,000	\$12,400,000	\$12,400,000

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

Explanation of Estimate:

LB1355 intends to appropriate the following amounts from the Nebraska Opioid Recovery Trust Fund starting fiscal year 2024-2025 and every year thereafter to the Opioid Cash Fund for grants under the Opioid Prevention and Treatment Act:

The State Treasurer shall transfer \$1,125,000 to the Training Division Cash Fund to connect first responders to behavioral health services, supports, and training; \$400,000 to the Health and Human Services Cash fund for staff to carry out the Overdose Fatality Review Act; \$3,000,000 to the Opioid Prevention and Treatment Cash fund for purposes of the Opioid Prevention and Treatment Act.

It is the intent of the Legislature that, of the total settlement funds received by the State of Nebraska and transferred from the Nebraska Opioid Recovery Trust Fund to the Opioid Prevention and Treatment Cash Fund and the Opioid Treatment Infrastructure Fund, 25% of such funds are transferred to the Prevention and Treatment Fund and 75% is transferred to the Infrastructure Fund.

It is the intent of the legislature to annually appropriate from the Opioid Prevention and Treatment Cash Fund \$3,000,000 for disbursement to regional behavioral health authorities as follows:

- i. Region-1, 5.476%
- ii. Region-2, 5.112%
- iii. Region-3, 10.8982%
- iv. Region-4, 8.5833%
- v. Region-5, 25.7421%
- vi. Region-6, 44.1869%

The Opioid Treatment Infrastructure Cash Fund shall be used by the department for local and state public-private partnerships for nonprofit and for-profit entities engaged in opioid use prevention and opioid treatment infrastructure projects as determined by the department.

LB1355 requires the department to establish a local public health aid program to provide grants to local health departments to facilitate prevention efforts, provide education and training activities, and data tracking efforts related to the opioid epidemic. The department shall award a minimum of \$500 thousand in grants for this program. The funding for these grants will be absorbed within the existing General Fund appropriation for Behavioral Health aid program 038.

The implementation of LB1355 will require three positions to adequately manage the grant work proposed: A program coordinator, a program specialist, and an accountant II. Total administrative costs are \$202,275 in FY25 and \$283,186 in FY26.

As amended by AM2629 and AM2559, the administrative costs for awarding these grants will not exceed an amount equal to 10% of the grants awarded.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2024-2025	2025-2026
	24-25	25-26	EXPENDITURES	EXPENDITURES
DHHS Program Coordinator (V73260)	0.75	1.0	\$41,051	\$57,472
DHHS Program Specialist (K8320)	0.75	1.0	\$38,187	\$53,462
DHHS Accountant II (K19012)	0.75	1.0	\$39,020	\$54,628
Benefits.....			\$41,391	\$57,947
Operating.....			\$12,240,351	\$12,176,491
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$12,400,000	\$12,400,000