

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	150,000	150,000	150,000	150,000
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	150,000	150,000	150,000	150,000

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

LB 945 would authorize the Community and Rural Development Division of the Department of Economic Development (DED) to, in consultation with the Departments of Agriculture and Health and Human Services, develop the Healthy Food Financing Initiative. DED would be directed to enter into contracts with one or more certified community development entities to develop and administer the financing initiative, and to enter into a contract not to exceed \$60,000 with the University of Nebraska to conduct a study. The study would compile existing research, data, and analysis identifying areas of limited access to healthy food and would be filed on or before December 1, 2016. With the report, the Community and Rural Development Division would be required to provide recommendations for the level of program funding needed to support the program.

LB 945 includes intent language to provide \$150,000 in funding for the program in FY16-17 and FY17-18, and states the funding for the initiative would end on June 30, 2018, unless extended by the Legislature. A cash fund is created to receive appropriations, gifts and grants. It is assumed that General Funds would be appropriated to provide program financing. Because LB 945 also reduces the tax credits available under the Community Development Assistance Act from \$350,000 per year to \$200,000 per year, program costs would be offset by a General Fund revenue increase. The reduction of the Community Development Assistance Act tax credit limit is not restricted to two years, and would therefore extend beyond the sunset date of the initiative.

It is estimated that initial costs to DED in FY16-17 would include payment of the \$60,000 contract with the University of Nebraska, and some administrative costs develop recommended funding levels for the initiative. If the intent of LB 945 is to have DED contract with one or more entities to operate the financial assistance component of the program, it is estimated that agency administrative costs would be minimal, and program appropriations would be passed through the agency to the administering entities. Additional requests for program appropriations could be possible based upon the findings of the study done by the University of Nebraska.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 945	AM:	AGENCY/POLT. SUB: Department of Agriculture	
REVIEWED BY: Robin Kilgore		DATE: 2-5-16	PHONE: 471-4180
COMMENTS: No basis to disagree with agency estimate of fiscal impact.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 945	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Robin Kilgore		DATE: 1-26-16	PHONE: 471-4180
COMMENTS: No basis to disagree with agency estimate of fiscal impact.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 945	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Robin Kilgore		DATE: 1-19-16	PHONE: 471-4180
COMMENTS: No basis to disagree with agency estimate of fiscal impact.			

Please complete ALL (5) blanks in the first three lines.

2016

LB⁽¹⁾ 945

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Agriculture

Prepared by: ⁽³⁾ Robert Storant Date Prepared: ⁽⁴⁾ 2/4/2016 Phone: ⁽⁵⁾ 402-471-6821

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

This bill would establish the Nebraska Healthy Food Financing Initiative Act which would be administered by the Department of Economic Development (DED). The only relevant part to the Department of Agriculture is, if funds are available, DED's Community and Rural Development Division, in consultation with this Department and the Department of Health and Human Services, shall establish a financing program to increase access to fresh fruits and vegetables and other nutritional foodstuffs in underserved communities. The availability of funds is unknown.

This legislative bill has a minimal fiscal impact on the Department of Agriculture.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>0</u>	<u>0</u>

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2016

LB⁽¹⁾ 945

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Dept. of Economic Development

Prepared by: ⁽³⁾ Courtney Dentlinger Date Prepared: ⁽⁴⁾ 1/20/2016 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2016-17		FY 2017-18	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>(See Below)</u>	<u>(See Below)</u>	<u>(See Below)</u>	<u>(See Below)</u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Explanation of Estimate:

LB 945 creates the Healthy Food Financing Initiative. This legislation proposes two separate components.

The first component is a loan program, in which DED (specifically the HCD Division) will contract with an entity certified as a community development entity for purposes of 26 U.S.C. 45D of the Internal Revenue Code. Such entity will make awards to eligible recipients (i.e. entity in an underserved community, with a meaningful commitment to provide regular offerings of fresh fruit and vegetables, which accepts supplemental nutrition assistance). Such awards will be for eligible projects (e.g. grocery store renovations and infrastructure upgrades, establishment of farmer’s markets, food cooperatives, community gardens, etc.). A certified community development entity appears to be a reference to a qualified community development entity for the purposes of the federal New Market Tax Credits Program.

The second component is for DED to contract with the Public Policy Center of the University of Nebraska to prepare a research report on the limitations to healthy food access and the existence of food deserts in the state. Up to \$60,000 may be used for this purpose.

LB 945 includes intent language to appropriate \$150,000 for FY2016-17 and FY2017-18, with a reduction in CDAA tax credits from \$350,000 to \$200,000. Even with the General Fund appropriation, there may be a General Fund impact to the extent that taxpayers are able to use less than \$350,000 in CDAA credits awarded. Costs to administer the provision of LB 945 are based on the assumption that the HCD Division will contract with community development entities, monitor the entities’ performance, and oversee the program funds.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Attorney I (A31111)	<u>0.5</u>	<u>0.5</u>	<u>\$25,689</u>	<u>\$26,331</u>
Economic Development Consultant (A49110)	<u>0.5</u>	<u>0.5</u>	<u>31,228</u>	<u>32,009</u>
Benefits.....			<u>35,364</u>	<u>35,562</u>
Operating.....			<u>1,000</u>	<u>1,000</u>
Travel.....			<u>2,100</u>	<u>2,100</u>
Capital outlay.....			<u>8,500</u>	<u>0</u>
Aid.....			<u>150,000</u>	<u>150,000</u>
Capital improvements.....				
TOTAL.....			<u>\$253,881</u>	<u>\$247,002</u>

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2016

LB⁽¹⁾ 945

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ University of Nebraska

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 16, 2016 Phone: ⁽⁵⁾ 402-472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	60,000	60,000	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>60,000</u>	<u>60,000</u>	<u>_____</u>	<u>_____</u>

Explanation of Estimate:

The bill creates Nebraska Healthy Food Financing Initiative Act and requires that DED shall contract with the Public Policy Center of the University of Nebraska to prepare a research report on the limitations to healthy food access and the existence of food deserts in this state.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	60,000	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>60,000</u>	_____