

PREPARED BY: Clinton Verner
 DATE PREPARED: January 31, 2022
 PHONE: 402-471-0056

LB 783

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	\$75,000,000			
OTHER FUNDS				
TOTAL FUNDS	\$75,000,000			

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

LB783 would appropriate \$75,000,000 in American Rescue Plan Act funds for the purpose of the Department of Economic Development to issue grants for new construction of beef slaughter and packing plants, as eligible per the American Rescue Plan Act.

We agree with the Agency’s analysis that expenditures may be limited by eligibility.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 783	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Patrick Redmond	DATE: 2/1/2022	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Economic Development assessment of fiscal impact from LB 783.			

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

2022

LB⁽¹⁾ 783

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 1/21/2022 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	<u>\$7,500,000</u>	<u>\$75,000,000</u>	<u>\$15,000,000</u>	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$7,500,000</u>	<u>\$75,000,000</u>	<u>\$15,000,000</u>	_____

Explanation of Estimate:

LB783 seeks to appropriate \$75 million in federal ARPA funds for FY2022-23 to the Department of Economic Development for the purpose of providing grants for the construction of new beef slaughter and packing plants.

Any award of a grant pursuant to this section shall be coordinated and administered by the Department of Economic Development in compliance with the federal American Rescue Plan Act of 2021. The recipient of a grant pursuant to this section shall only spend the grant in compliance with the federal American Rescue Plan Act of 2021. The bill contains the emergency clause.

The cost to administer such a grant program—to the extent that ARPA dollars may be used for this purpose—will depend upon the number of facilities seeking grants and the cost of activities that can be covered with ARPA funds.

The Department estimates that this will require the services of an Economic Development Manager, an Attorney II, an IT Business Systems Analyst to assist with grant management, a Federal Aid Administrator to assist with disbursements, and an Internal Auditor to monitor the use of the funds. Operating costs include licensing fees for the Department’s grant management software, and the cost of additional rent.

Technical Note: According to recent Treasury guidance, aid to impacted industries is “limited to entities operating prior to the pandemic and affected by required closures and other efforts to contain the pandemic.” This limitation could impact the number of eligible applicants and subsequently the requirement to be reasonably proportional to the harm. This could impact the ability to use ARPA funds in all aspects of developing new beef slaughter and packing plants.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2022-23	2023-24
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
G49550 Econ Dev. Manager	0.75	1.00	\$49,660	\$67,860
G31112 Attorney II	0.75	1.00	62,030	84,770
A07081 IT Bus. Systems Analyst	0.25	0.25	15,500	15,890
A19613 Federal Aid Admin III	0.00	0.25	0	16,340
G21200 Internal Auditor	0.00	0.50	0	36,480
Subtotal Salary	1.75	3.00	\$127,190	\$221,340
Benefits.....			50,880	88,540
Operating.....			158,100	180,360
Travel.....			12,720	22,140
Capital outlay.....			17,200	8,600
Aid.....			7,133,910	14,479,020
Capital improvements.....				
TOTAL.....			\$7,500,000	\$15,000,000