

PREPARED BY: Clinton Verner
 DATE PREPARED: February 7, 2022
 PHONE: 402-471-0056

LB 1072

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	\$1,000,000			
OTHER FUNDS				
TOTAL FUNDS	\$1,000,000			

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

LB1072 appropriates \$1,000,000 of Federal Funds from ARPA for the purpose of contracting with a HSRA community health center within the city of the metropolitan class. LB1072 describes the program and services that will be created through this contract.

No basis to disagree with the Department’s estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1072	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Patrick Redmond	DATE: 2/7/2022	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Economic Development assessment of fiscal impact from LB 1072. The maximum funding available under the federal Coronavirus State Fiscal Recovery Fund is \$1.04 billion, of which only \$520 million is currently available. Appropriation of these funds must be balanced in aggregate in order to avoid over obligation.			

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2022

LB⁽¹⁾ 1072

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dave Dearthmont Date Prepared: ⁽⁴⁾ 2/1/2022 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>\$968,310</u>	_____	<u>\$31,690</u>	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$968,310</u>	_____	<u>\$31,690</u>	_____

Explanation of Estimate:

LB1072 seeks to appropriate \$1 million of federal ARPA funds to DED for FY 2022-23 to contract with a postsecondary institution that partners with a community health center located in a city of the metropolitan class and funded through the federal Health Centers Consolidation Act. The contract must require the postsecondary institution to contribute \$2 million in private funding for a financial success program.

The financial success program is to serve low-income individuals, individuals who experienced unemployment due to the COVID-19 public health emergency, individuals who experienced food or housing insecurity due to the COVID-19 public health emergency, and individuals who qualify for assistance through the State Children's Health Insurance Program, the federal Child Care and Development Fund, or Medicaid. The program will provide education in a number of topics including, financial literacy, economic stability, chronic disease management, income and benefit enhancement, and housing security. The awardee would also provide a number of services to participants, including, food assistance, services for improved economic security, and chronic disease management.

Funds appropriated are to be from federal funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021. As such, DED must coordinate and administer the program in compliance with the federal American Rescue Plan Act of 2021 and the relevant federal statutes and regulations. LB1072 would result in some additional responsibilities for DED. DED would need to develop, implement, and provide the subrecipient monitoring necessarily required to comply with federal statutes and regulations related to the provision of grants to the indicated subrecipient. This would require adequate staffing and infrastructure to support the program throughout the grant program's lifecycle. The grant programs developed under LB1072 would require appropriate staffing and infrastructure to support the grant program through at least 12/31/27, and potentially record retention support through 12/31/31.

It is estimated that these duties can be accomplished with the services of 0.25 FTE of an internal auditor, who could monitor the activities of the subrecipient as required by ARPA, as well as distribute the funds to the awardee. The bill contains the emergency clause, and for purposes of this note, DED assumes that the funds will become available on 7/1/2022.

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>
G21200 Internal Auditor	0.25	0.25	\$17,790	\$18,240
Benefits.....			7,120	7,300
Operating.....			4,240	4,330
Travel.....			1,780	1,820
Capital outlay.....			8,600	0
Aid.....			928,780	
Capital improvements.....				
TOTAL.....			\$968,310	\$31,690