

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				
OTHER FUNDS				
TOTAL FUNDS				

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

LB1167 would appropriate Federal Funds pursuant to the American Rescue Plan in the following ways:

- \$30 million to the Department of Economic Development for an internship grant program;
- \$20 million to the Department of Labor to create a program to administer grants to Nebraska businesses, economic development or workforce organizations, political subdivisions, nonprofit organizations, and education partners to support training, upskilling, apprenticeship, and apprenticeship program development proposals.

All funds are appropriated in FY21-22 and are therefore not reflect above.

No basis to disagree with the Department of Economic Development’s estimates. No basis to disagree with the Department of Labor’s estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1167	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Patrick Redmond		DATE: 2/17/2022	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Department of Economic Development assessment of fiscal impact from LB 1167.			

Estimate Provided by Agency or Political Subdivision

State Agency OR Political Subdivision Name: **Dept. of Economic Development**
 Approved by: **Dave Dearthmont** Date Prepared: **2/8/2022** Phone: **471-3777**

	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>		<u>FY 2023-2024</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds						
Cash Funds						
Federal Funds	\$19,580	\$30,000,000	\$7,480,420		\$9,000,000	
Other Funds						
Total Funds	\$19,580	\$30,000,000	\$7,480,420		\$9,000,000	

Explanation of Estimate:

LB1167 seeks to appropriate \$30 million of federal ARPA funds to the Department of Economic Development for FY 2021-22 to create an internship grant program to be administered by the DED, and \$20 million to create an apprenticeship program to be administered by the Department of Labor. The appropriation is 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 and DOL must coordinate and administer the program in compliance with the federal American Rescue Plan Act of 2021 and the relevant federal statutes and regulations.

LB1167 would result in additional responsibilities for DED. DED would need to develop, implement, and provide the monitoring necessarily required to comply with federal statutes and regulations related to the provision of grants for the indicated purposes. There is no indication of whether the grant program will be open to subrecipients, beneficiaries, or both. The grant program developed under LB1167 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. The bill carries the emergency clause, which will allow the department to begin staffing in FY2021-22.

Based on experience with grant programs of this size and the additional rules for using ARPA funds, DED estimates that the \$30 million will be expended approximately 25%, 30%, 25%, 15%, and 5% in FY2022-23 through FY2026-27. It unknown at this time what the internship grant program or programs would look like; however, based on operating an internship grant program and adjusting for the additional requirements that come with using federal funds, LB1167 would require the full-time services of an Economic Development Manager, beginning in FY2021-22, and an Economic Development Business Consultant I, and the half-time services of an Internal Auditor to assist with the federal requirements for subrecipients and a Federal Aid Administrator III and IT Business Systems Analyst, to assist with applications and aid disbursements.

Included in the operating expenses are annual costs of \$34,080 for software licenses for the department’s grant management software, and \$7,970 for additional rent.

Major Objects of Expenditure

Class Code	Classification Title	21-22	22-23	23-24	21-22	22-23	23-24
		FTE	FTE	FTE	Expenditures	Expenditures	Expenditures
G49550	Economic Development Manager	0.10	1.00	1.00	\$6,460	\$66,210	\$67,860
A19613	Federal Aid Administrator III	0.00	0.00	0.25		0	16,340
A49011	Econ. Dev. Business Consultant I	0.00	0.75	1.00		43,550	59,510
A07081	IT Business Systems Analyst	0.00	0.25	0.25		15,500	15,890
G21200	Internal Auditor	0.00	0.00	0.50		0	36,480
	Total	0.10	2.00	3.00	\$6,460	\$125,260	\$196,080
Benefits.....					2,580	50,100	102,240
Operating Costs.....					1,290	67,270	81,530
Travel.....					650	12,530	25,560
Capital Outlay.....					8,600	17,200	8,600
Aid.....					0	7,208,060	8,585,990
Capital Improvements.....							
Total.....					\$19,580	\$7,480,420	\$9,000,000

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2022

LB⁽¹⁾ 1167

FISCAL NOTE

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

Prepared by: ⁽³⁾ Rea Easton Date Prepared: ⁽⁴⁾ 02/18/2022 Phone: ⁽⁵⁾ 402-416-6809

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>20,000,000</u>	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>20,000,000</u>	_____	_____	_____

Explanation of Estimate:

Based on NDOLs interpretation of LB 1167, this option represents a program similar to the Department's existing worker training program (WTP). The WTP program is extremely flexible and allows employers to self-select the type of training program that will best meet the employer's workforce needs. The department awards WTP grants to the employers based upon the merits of the grant. Restricted use grant programs could also be created. The staffing structure below is a rough estimate of support needed to implement LB 1167 dependent on program design and complexity. This fiscal note assumes that administrative costs of the program will be paid from the appropriation.

Note: The program is a temporary program and temporary staff would have to be hired to fill the positions.

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Project Manager	1.0	1.0	76,222.43	77,746.88
Job Training Program Coordinator-Supervisory	2.0	2.0	123,222.53	125,686.98
Workforce Coordinator	5.0	5.0	207,029.68	211,170.27
Attorney II	1.0	1.0	65,329.26	66,635.85
Accountant II	1.0	1.0	44,529.06	45,419.64
Administrative Technician	1.0	1.0	36,649.18	37,382.17
Benefits			184,746.31	188,441.23
Operating			131,961.65	134,600.88
Travel			7,200.00	7,200.00
Capital outlay				
Aid				
Capital improvements				
TOTAL			876,890.10	894,283.90