

PREPARED BY: Clinton Verner  
 DATE PREPARED: February 21, 2023  
 PHONE: 402-471-0056

# LB 608

Revision: 00

## FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below			

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

LB608 creates a transfer from the Cash Reserve Fund to the General Fund and intent to appropriate \$90,000,000 from the General Fund to the Department of Economic Development. The transfer is to occur as soon as administratively possible after the enacting date of the act, which would be in FY22-23 as this legislation contains an emergency clause.

Appropriated funds are intended to be used for the purpose of providing capital grants to nonprofit organizations. As DED will need to promulgate new rules and regulations for this new program, no basis to disagree with their administrative cost.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 608	AM:	AGENCY/POLT. SUB: Department of Economic Development
REVIEWED BY: Neil Sullivan	DATE: 3/6/2023	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Economic Development assessment of fiscal impact from LB 608 except that the fund type for expenditure should be shown as General Funds.		

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**2023**

**LB<sup>(1)</sup> 608**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Economic Development

Prepared by: <sup>(3)</sup> Dave Dearmont Date Prepared: <sup>(4)</sup> 2/9/2023 Phone: <sup>(5)</sup> 402-471-3777

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$18,000,000		\$45,000,000	
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u>\$18,000,000</u>		<u>\$45,000,000</u>	

**Explanation of Estimate:**

LB608 contains intent language to transfer \$90 million from the Cash Reserve Fund to the General Fund, as soon as administratively possible after the effective date of the bill, possibly in FY2022-23. LB608 would also appropriate \$90 million from the General Fund to DED for the purpose of providing capital grants to non-profits. Grant funds are to be distributed equally by congressional district and grantees are to provide a 1-to-1 match to grant funds.

With an additional \$90 million to be appropriated for grants DED will require the services of 2.5 FTE Economic Business Development Consultant II. Two of these will be used to implement and administer the grant program, and 0.5 FTE will be used for compliance and reporting on the grant program. Another 0.5 FTE of an Accountant III will be required to make payments to recipients. The department believes that expenses will be reimbursed through the grant program approximately 20%, 50%, and 30% in FY2023-24 through FY2025-26, respectively. Operating costs include \$102,300 annually for grant management software and licenses, and \$9,300 for additional leased office space.

The bill does not specify any eligibility for the grants except that they be used for "capital projects" by not-for-profit entities.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
A49012 Econ Bus Dev Consultant II	2.50	2.50	\$132,860	\$172,720
A19013 Accountant III	0.25	0.50	15,790	32,840
Benefits.....			59,460	82,220
Operating.....			151,580	153,010
Travel.....			14,860	20,560
Capital outlay.....			25,800	0
Aid.....			17,599,650	44,538,650
Capital improvements.....			0	0
<b>TOTAL.....</b>			<u>\$18,000,000</u>	<u>\$45,000,000</u>