

PREPARED BY: Clinton Verner  
 DATE PREPARED: January 21, 2022  
 PHONE: 402-471-0056

**LB 821**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	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.**

LB821 would create the Aid to Municipalities Act. The act would be administered by the Department of Economic Development for purposes of distributing aid in the form of grants to municipalities for various infrastructure projects. LB821 provides intent language for \$15 million to be appropriated per annum. No basis to disagree with the Department of Economic Development's estimates should funds be appropriated.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 821	AM:	AGENCY/POLT. SUB: Department of Economic Development
REVIEWED BY: Patrick Redmond	DATE: 1/21/2022	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Department of Economic Development assessment of fiscal impact from LB 821.		

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

**2022**

**LB<sup>(1)</sup> 821**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Dave Dearthmont Date Prepared: <sup>(4)</sup> 1/17/2022 Phone: <sup>(5)</sup> 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	<u>\$15,000,000</u>	<u>                    </u>	<u>\$15,000,000</u>	<u>                    </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>\$15,000,000</u>	<u>                    </u>	<u>\$15,000,000</u>	<u>                    </u>

**Explanation of Estimate:**

LB821 would create the Aid to Municipalities Act. The purpose of the act is to provide state aid to municipalities in the form of grants which may be used to pay for infrastructure projects within the municipalities. The bill also creates a new fund in DED to be used to provide aid under the act and defray departmental expenses for administration of the program. The bill contains intent language to appropriate \$15 million each fiscal year for to provide grants and administrative expenses incurred by DED for the Aid to Municipalities Act. For purposes of this fiscal note, it is assumed that the General Fund will be used for this program.

LB821 specifies that the grants are open to all cities, and that the grants are to be considered in the order that they are received and may be approved as long as funds are available each year. No grant may exceed \$5 million. DED may adopt and promulgate rules and regulations to carryout the provisions of the act.

For purposes of administering this program, DED will require the services of an Economic Development Consultant II to develop the program, create application materials and manage the grants. In addition, the services of a half FTE of an IT Business Systems Analyst to create the online application forms and assist applicants with the department’s grant management system. Operating expenses include annual licensing fees for the grant management software and \$3,980 for rent.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**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>
A49012 Econ. Dev. Bus Consultant II	<u>1.00</u>	<u>1.00</u>	<u>\$56,170</u>	<u>\$63,980</u>
A07081 IT Bus. Systems Analyst	<u>0.50</u>	<u>0.50</u>	<u>31,010</u>	<u>31,770</u>
Benefits.....			<u>34,870</u>	<u>38,300</u>
Operating.....			<u>72,300</u>	<u>74,280</u>
Travel.....			<u>8,720</u>	<u>9,580</u>
Capital outlay.....			<u>17,200</u>	<u>0</u>
Aid.....			<u>14,779,730</u>	<u>14,782,090</u>
Capital improvements.....				
TOTAL.....			<u>\$15,000,000</u>	<u>\$15,000,000</u>