

PREPARED BY: Clinton Verner  
 DATE PREPARED: January 26, 2024  
 PHONE: 402-471-0056

**LB 1263**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB1263 defines eligibility, requires the Department of Economic Development to create a program to provide a scholarship to any eligible student in Nebraska, requires the Department of Economic Development to promulgate rules and regulations for the program, and creates intent to appropriate \$1,000,000 in FY2024-25.

No basis to disagree with the administrative cost provided by the Department. Disagree with the aid amount as LB1263 creates an entitlement. For informational purposes our office is providing a baseline estimate using data from the Nebraska Department of Labor which indicates 4,236 potentially eligible applicants. The baseline cost would be \$10,590,000 per annum not including other eligible reimbursements which would include tuition and may include textbooks or tools. Our office lacks sufficient data to provide a more accurate estimate at this time.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1263	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Neil Sullivan	DATE: 1/26/2024	PHONE: (402) 471-4179	
COMMENTS: The Department of Economic Development assessment of fiscal impact from LB 1263 appears reasonable.			
<u>Technical Note:</u> The current appropriation language is expressed as intent. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804.			

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

**2024**

**LB<sup>(1)</sup> 1263**

**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> 1/25/2024 Phone: <sup>(5)</sup> 402-471-3777

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

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$1,000,000</u>	<u>                    </u>	<u>\$0</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>
<b>TOTAL FUNDS</b>	<u><b>\$1,000,000</b></u>	<u>                    </u>	<u><b>\$0</b></u>	<u>                    </u>

**Explanation of Estimate:**

LB1263 would create a scholarship program administered by DED. The scholarship would be for students enrolled in a trade program to learn a skilled trade. The program of study may be at a postsecondary educational institution or a private business. The scholarship includes \$2,500 plus tuition reimbursement for classes, supplies, or related expenses. DED would be required to promulgate rules and regulations to carry out the program.

The bill contains intent language to appropriate \$1 million for FY2024-25 to carry out the program.

DED estimates that the services of a DED Manager to award and pay the scholarships, and an IT Data/Database Analyst/Senior to track the awards through a grant management system.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
G49550 Econ Dev Manager	<u>1.0</u>	<u>                    </u>	<u>\$72,640</u>	<u>                    </u>
A07052 IT Data/Dbase Analyst/Senior	<u>0.5</u>	<u>                    </u>	<u>25,420</u>	<u>                    </u>
Benefits.....			<u>41,410</u>	<u>                    </u>
Operating.....			<u>35,230</u>	<u>                    </u>
Travel.....			<u>11,830</u>	<u>                    </u>
Capital outlay.....			<u>8,600</u>	<u>                    </u>
Aid.....			<u>\$804,870</u>	<u>                    </u>
Capital improvements.....			<u>                    </u>	<u>                    </u>
<b>TOTAL.....</b>			<u><b>\$1,000,000</b></u>	<u>                    </u>