

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	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.

LB349 would make the following changes to the Business Innovation Act:

- Require Nebraska Department of Economic Development (NDED) to award grants among the three Congressional districts as evenly as possible;
- Increase the award amounts from six million to eighteen million dollars per year for grants under the following sections:
 - o Grants for small business planning grants;
 - o Grants for businesses of 500 or fewer employees for the purposes of creating prototypes of a product stemming from research and development at a business operating in Nebraska or a public or private college or university in Nebraska;
 - o Grants for innovation in value-added agriculture;
 - o Grants for business of 500 or fewer employees that have a product or prototype for purposes of commercializing the product;
 - o A financial assistance program for development of new products or use intellectual property generated at a public or private college or university in Nebraska;
 - o Grants to microloan delivery organizations, microloan technical assistance organizations, and innovation hubs.
- States intent to appropriate at least \$45 million for each fiscal year beginning in FY24-25.

Current appropriation is \$14,770,352 in General Funds, making an approximate \$30M per fiscal year impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 349	AM:	AGENCY/POLT. SUB: Department of Economic Development
REVIEWED BY: Neil Sullivan	DATE: 3/2/2023	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Economic Development assessment of fiscal impact from LB 349. <u>Technical Note</u> : The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804.		

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2023

LB⁽¹⁾ 349

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 1/29/2023 Phone: ⁽⁵⁾ 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	<u>\$30,229,648</u>	<u> </u>	<u>\$30,229,648</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>\$30,229,648</u>	<u> </u>	<u>\$30,229,648</u>	<u> </u>

Explanation of Estimate:

LB349 contains intent language to increase the appropriation for programs under the Business Innovation Act (BIA) by \$30,229,648 from the current base appropriation of \$14,770,352 to a minimum of \$45 million for FY2023-24 and FY2024-25. In addition, the bill seeks to distribute awards evenly across all three Nebraska congressional districts “to the maximum extent possible.” And finally, the bill increases funding caps for each section of the BIA program.

The table below presents the increases proposed in the bill for each section of the program:

BIA Section	Description	Current Cap (Millions)	LB349 Cap (Millions)
81-12,157	Planning Grants	\$6.0	\$18.0
81-12,158	Prototyping	\$6.0	\$18.0
81-12,159	Value-added Agriculture	\$6.0	\$18.0
81-12,160	Commercialization	\$6.0	\$18.0
81-12,161	Academic R&D	\$6.0	\$18.0
81-12,162	Microenterprise & Microlending	\$3.0	\$9.0

In order to generate an increase in applications necessary to use the proposed appropriation and to manage the larger program, DED will require the services of 1 FTE Accountant III to manage the additional grants, 2 Economic Development Business Consultant II for outreach and pipeline development, and a half each FTE for an Economic Development Business Consultant II to work in compliance and an IT Database Analyst/Senior to make changes in the grant management system.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2023-24	2024-25
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
A19013 Accountant III	0.75	1.00	\$47,370	\$65,680
A49012 Econ Dev Bus Consultant II	2.00	2.50	132,860	\$172,720
A07052 IT Data/DB Analyst/Senior	0.50	0.50	44,330	47,440
Total	3.75	4.50	\$224,560	\$285,840
Benefits.....			\$89,820	\$114,330
Operating.....			89,090	103,380
Travel.....			22,460	28,580
Capital outlay.....			34,400	0
Aid.....			29,769,318	29,697,518
Capital improvements.....			0	0
TOTAL.....			\$30,229,648	\$30,229,648