

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		(\$10,000,000)		(\$10,000,000)
CASH FUNDS	See below	\$10,000,000	See below	\$10,000,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	\$0	See below	\$0

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

LB45 establishes the Revitalize Rural Nebraska Grant Program and Revitalize Rural Nebraska Fund within the Nebraska Department of Environment and Energy (NDEE). LB45 directs NDEE to award grants to cities of the first and second classes and villages with discretion of the Director of NDEE to promulgate rules and regulations surrounding awarding of grants.

LB45 directs the State Treasurer to annually transfer \$10,000,000 from the General Fund to the Revitalize Rural Nebraska Fund for fiscal years 23-24 – 27-28. There is no intent to appropriate, however language from section one, subsection 3 indicates that the full fund amount is meant to be expended each year. As such, our office assumes intent to appropriate \$10,000,000 for the first year of the program with the full cash balance being re-appropriated with each following year.

General fund revenue loss of \$10M per annum for the next five fiscal years for a total of \$50M. LB45 provides for remittance of funds back to the state should cities and villages be unable to engage in demolition of commercial properties, however the number and timing of awards and remittances is unknown, as such we cannot provide a full cash fund revenue and expenditure estimate.

No basis to disagree with the Department’s estimates for administrative costs.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 45	AM:	AGENCY/POLT. SUB: Department of Environment and Energy	
REVIEWED BY: Jacob Leaver	DATE: 1/17/2023	PHONE: (402) 471-4173	
COMMENTS: Concur with the Department of Environment and Energy’s estimated fiscal impact to the agency as a result of LB 45.			

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

2023

LB⁽¹⁾ 45

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Environment and Energy

Prepared by: ⁽³⁾ Kevin Stoner Date Prepared: ⁽⁴⁾ January 13, 2023 Phone: ⁽⁵⁾ 402 471-2186

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	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>

Explanation of Estimate:

LB45 Sect 4 states an annual transfer of \$10,000,000 from general funds to the Revitalize Rural Nebraska Cash Fund will occur starting in FY23-24 through FY 2027-28. This program allows demolition of dilapidated commercial property. Since there is no limit on how much a grant can be, NDEE estimates there may be anywhere from 1 to 200 grants awarded per year. Based on current grant programs, it is estimated to take up to an additional 5 FTE to run this new program. This fiscal note identifies the administrative cost of the FTE. NDEE understands a portion of the \$10,000,000 can be used for the administrative costs to run this program.

Estimated minimal demolition cost is \$50,000. An Environmental Specialist II can manage 35 -40 grants from beginning to end.

$\$10,000,000 / \$50,000 = 200$ possible grants/sites
 $200 / 40 = 5$ FTE

None of the future demolition sites have been identified.

FY 2023-2024 12 months of 5 FTE (\$458,921)

FY 2024-2025 12 months of 5 FTE (\$458,668)

If the Revitalize Rural Nebraska Program continues past FY 2024-2025, NDEE will need to be able to utilize cash funds from the grant program for ongoing administrative costs.

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>
<u>Environmental Specialist II</u>	<u>5.0</u>	<u>5.0</u>	<u>251,105</u>	<u>263,661</u>
<u>Benefits.....</u>			<u>82,865</u>	<u>87,008</u>
<u>Operating.....</u>			<u>119,931</u>	<u>102,828</u>
<u>Travel.....</u>			<u>5,020</u>	<u>5,171</u>
<u>Capital outlay.....</u>				
<u>Aid.....</u>			<u>9,541,079</u>	<u>9,541,332</u>
<u>Capital improvements.....</u>				
TOTAL.....			<u>10,000,000</u>	<u>10,000,000</u>