

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

LB 573

Revision: 00

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				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$10,000,000		\$10,000,000	

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

LB573 establishes a limited grant program to be administered by the Nebraska Department of Economic Development, defines eligibility, and appropriates \$10,000,000 in General Funds for FY23-24 and FY24-25 with the grant program operating from 7/1/23-6/30/25. Administrative estimates provided by the Department appear reasonable.

Technical note: As the Department operates on a reimbursement basis, the grant program operational lifespan may need to be expended to accommodate the anticipated expenditure schedule.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 573	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 573.		

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2023

LB⁽¹⁾ 573

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dave Dearthmont Date Prepared: ⁽⁴⁾ 2/16/2023 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>\$6,000,000</u>	<u> </u>	<u>\$12,000,000</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><u>\$6,000,000</u></u>	<u> </u>	<u><u>\$12,000,000</u></u>	<u> </u>

Explanation of Estimate:

LB573 appropriates \$10 million from the General Fund in fiscal year 2023-2024 and another \$10 million from the General Fund in fiscal year 2024-2025 to DED for a time-limited grant program that awards grants to cities of the first class within the first Congressional district who wish to revitalize real property that was previously owned by a university or college for the purposes of economic development. Grants are to be awarded to non-profits who provide a 1-to-1 match to grant funds.

Under LB573, the Department will expect to need the services of 1.0 Econ Dev Business Consultant II to administer and monitor the program and 0.25 Accountant III to handle payments. Operating costs include approximately \$22,700 annually for grant management software and licenses and \$2,000 for additional leased office space. DED expects that the grants will be paid out approximately 30%, 60%, and 10% in FY2023-24 through FY2025-26, respectively.

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 Dev Bus Consultant II	<u>0.50</u>	<u>0.50</u>	<u>\$33,220</u>	<u>\$35,540</u>
A19013 Accountant III	<u>0.25</u>	<u>0.25</u>	<u>15,790</u>	<u>16,890</u>
Benefits.....			<u>19,600</u>	<u>20,970</u>
Operating.....			<u>34,600</u>	<u>35,280</u>
Travel.....			<u>4,900</u>	<u>5,290</u>
Capital outlay.....			<u>8,600</u>	<u>0</u>
Aid.....			<u>5,883,290</u>	<u>11,886,030</u>
Capital improvements.....			<u>0</u>	<u>0</u>
TOTAL.....			<u><u>\$6,000,000</u></u>	<u><u>\$12,000,000</u></u>