

PREPARED BY: Clinton Verner
 DATE PREPARED: February 8, 2022
 PHONE: 402-471-0056

LB 1195

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	\$1,500,000			
OTHER FUNDS				
TOTAL FUNDS	\$1,500,000			

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

LB1195 would appropriate \$1,500,000 from Federal Funds related to American Rescue Plan to the Department of Economic Development for the purpose of awarding major sponsorship grants and defines eligibility.

DED provides no costs in this biennium due to indeterminate demand and timing of eligible applicants. No basis to disagree.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1195	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Patrick Redmond	DATE: 2/9/2022	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Economic Development assessment of no fiscal impact from LB 1195.			

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

2022

LB⁽¹⁾ 1195

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 2/1/2022 Phone: ⁽⁵⁾ 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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 1195 seeks to appropriate \$1.5 million from Federal Funds for FY2022-23 to the Department of Economic Development for Program 603 for the purpose of awarding major sponsorship grants for international competitions to be hosted in Nebraska that are recognized by an international governing body. The Federal Funds are from the funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund (SFRF) pursuant to the federal American Rescue Plan Act of 2021. Using ARPA money would require DED to comply with all other federal statutes and regulations.

The use of ARPA funds proposed in LB1195 for a qualified activity, would likely be limited to one or two grants, and can be accomplished, with current resources and staff.

Technical Note: In order to use the SFRF funds in compliance with relevant federal statutes and regulations, this use may need to be classified as the provision of government services with funds designated as replacement for lost public sector revenue. Otherwise, this use of SLFRF would likely have to qualify as aid to the impacted travel, tourism, or hospitality industries. The state could only use the SFRF for this purpose if it could identify a COVID-19 related negative economic impact that was experienced by specific business within the impacted industry for which this use responded in a “related and reasonably proportional” way to the harm experienced by that business. Aid to impacted industries is limited to entities operating prior to the pandemic and affected by required closures and other efforts to contain the pandemic. Treasury has indicated that the provision of assistance to a business that did not experience a negative economic impact, under the theory that such assistance would generally grow the economy and therefore enhance opportunities for workers, would not be an eligible use.

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>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____