

PREPARED BY: Clinton Verner
 DATE PREPARED: February 1, 2023
 PHONE: 402-471-0056

LB 281

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	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.

LB281 establishes a grant program within the Nebraska Department of Economic Development (DED), provides guidance, sets match requirements, sets grant award caps, sets intent for preference in awarding grants, and provides intent to appropriate \$50,000,000 from the General Fund for this program. The expenditure schedule and estimate for administrative cost provided by DED appears reasonable.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 281	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Neil Sullivan	DATE: 2/10/2023	PHONE: (402) 471-4179	
COMMENTS: The Department of Economic Development assessment of fiscal impact from LB 281 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.			

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2023

LB⁽¹⁾ 281

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 1/27/2023 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>\$10,000,000</u>	<u> </u>	<u>\$25,000,000</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>\$10,000,000</u>	<u> </u>	<u>\$25,000,000</u>	<u> </u>

Explanation of Estimate:

LB281 establishes a grant program for 501(c)(3) organizations who wish to construct or renovate youth outdoor education camp facilities. The bill also contains intent language to appropriate \$50 million from the General Fund in FY2023-24 for this purpose.

Grants awarded from this fund are to have a 25% percent match from the applying 501(c)(3) organization and no organization can receive more than \$30 million in aggregate of grant funds. The Department is to prioritize applications for projects that plan to reconstruct facilities that were damaged in a natural or man-made disaster.

LB281 will create a new \$50 million grant program in DED. The department estimates that the grant funds will be distributed on a reimbursement basis 10%, 50% and 30% of the total amount in FY2023-24 through FY2025-26, respectively. This will require the services of 1.0 FTE Economic Development Manager to implement and administer the program, and 0.25 FTE Accountant III to make process the grants. Operating costs include \$56,800 for grant management software licensing, a one-time cost of \$52,000 for a consultant to build out the application, and \$8,600 for additional leased office space.

DED believes that it would take three fiscal years to award and monitor the grant program described. This is inconsistent with the intent language which appears to contemplate all admin work and grant work completed in FY2023-24.

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>
G49550 Econ Dev Manager	<u>1.0</u>	<u>1.0</u>	<u>\$71,910</u>	<u>\$74,790</u>
A19013 Accountant III	<u>0.25</u>	<u>0.25</u>	<u>6,320</u>	<u>6,570</u>
Benefits.....			<u>35,080</u>	<u>36,480</u>
Operating.....			<u>135,310</u>	<u>83,990</u>
Travel.....			<u>8,770</u>	<u>9,120</u>
Capital outlay.....			<u>8,600</u>	<u>0</u>
Aid.....			<u>9,734,010</u>	<u>24,789,050</u>
Capital improvements.....			<u>0</u>	<u>0</u>
TOTAL.....			<u>\$10,000,000</u>	<u>\$25,000,000</u>