

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	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.

LB1116 creates the Grocer Reinvestment Option Act. The Grocer Reinvestment Option Act:

- Sets definitions;
- Sets administration of the act within the Department of Agriculture;
- Requires the Department of Agriculture to develop application forms, eligibility standards, requires applicants to apply for funding, and describes minimum eligibility standards;
- Sets priority under the act;
- Allows for the Department of Agriculture to contract under the act;
- Creates the Grocer Reinvestment Revolving Fund, caps administrative costs to the Department at 15% of the money in the fund;
- Creates intent to appropriate \$2,000,000 for the purposes of carrying out the act;
- Requires the Department of Agriculture to report annually to the Legislature on the act; and
- Allows for the adoption and promulgation of rules under the act.

LB1116 creates intent to appropriate \$2,000,000 per annum, however does not specify the funding source of the appropriation. LB1116 also states that administration should not exceed 15% of the amount of money in the fund and does not create any transfer.

As the allowable uses under the act include grants and forgivable loans and the administration cost is tied to the amount in the fund consistent administration of activities under the Act would be difficult if the bill allowed for a Cash Fund appropriation. In the absence of specificity, we assume a General Fund appropriation. The Department’s administration costs appear reasonable should \$2,000,000 in General Funds be appropriated per annum.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1116	AM:	AGENCY/POLT. SUB: Department of Agriculture	
REVIEWED BY: Jacob Leaver	DATE: 1/19/2024	PHONE: (402) 471-4173	
COMMENTS: Concur with the Department of Agriculture’s estimated fiscal impact to the agency as a result of LB 1116.			

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

2024

LB⁽¹⁾ 1116

FISCAL NOTE

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

Prepared by: ⁽³⁾ Ashley Dempsey Date Prepared: ⁽⁴⁾ 1/17/2024 Phone: ⁽⁵⁾ 402-429-2487

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$2,000,000		\$2,000,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$2,000,000</u>		<u>\$2,000,000</u>	

Explanation of Estimate:

LB1116 creates the Grocer Reinvestment Option Program to provide loans, grants, and forgivable loans to existing grocery store businesses or convenience retailers determined eligible by the department. The program is funded by the Grocer Reinvestment Revolving Fund with intent for the Legislature to appropriate \$2,000,000 in FY2024-25 and FY2025-26.

Administration and aid of the program would not occur until there is a transfer into the fund. An extensive administrative lead time is expected due to the complexity of financing options. This program is likely to require annualization in the next biennium dependent on administrative decisions and fund balance.

The department does not anticipate providing financing to any eligible entities until FY2025-26.

The department would establish the program, develop eligibility requirements, adopt and promulgate rules and regulations, and complete procurement of any contracts deemed appropriate. The department is unable to determine the type of financing that will be provided until the administrative functions are in progress or completed, this could significantly impact costs. Estimates provided are based on the 15 percent maximum administrative costs allowed within LB1116.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Agriculture Program Manager	1.0	1.0	\$62,000	\$62,000
Accountant III	1.0	1.0	\$64,000	\$64,000
Administrative Technician	1.0	1.0	\$40,000	\$40,000
Benefits.....			\$80,000	\$80,000
Operating.....			\$49,000	\$49,000
Travel.....			\$5,000	\$5,000
Capital outlay.....				
Aid.....			\$1,700,000	\$1,700,000
Capital improvements.....				
TOTAL.....			<u>\$2,000,000</u>	<u>\$2,000,000</u>