

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				
CASH FUNDS		See below		See below
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.

LB1314 amends the Municipal Inland Port Authority Act in the following ways:

- Creates the Inland Port Authority Fund (IPAF) within the office of the State Treasurer and describes its use;
- Transfers interest earned from the American Rescue Plan Act (ARPA) to the IPAF no later than five days after the effective day of the act and on 6/30 of every year thereafter, transfers interest earned from the Perkins County Canal Project Fund to the IPAF no later than five days after the effective day of the act and on 6/30 of every year thereafter, transfers interest earned from the Capital Construction Fund related to the construction of the state prison no later than five days after the effective day of the act and on 6/30 of every year thereafter;
- Allows an inland port authority within the bounds of a city of the metropolitan class to apply to the state Treasurer for a grant to carry out the functions of such inland port authority as authorized under the Municipal Inland Port Authority Act. The application for such grant shall be submitted on a form prescribed by the State Treasurer. The application shall only include the amount of grant funds requested and a certified copy of the approved city ordinance creating such inland port authority. The State Treasurer shall not be required to verify the information submitted in the application. If adequate funds are available in the Inland Port Authority Fund, the State Treasurer shall award the grant;
- Transfers interest from ARPA, Perkins County Canal, and Capital Construction funds related to the construction of the state prison for FY23-24, FY24-25, and FY25-26 to the IPAF;
- Transfers the grants for a Standing Bear Museum from the Economic Recovery Contingency Fund (ERCF) to the IPAF; and
- Adds awarding grants under the IPAF to the duties of the State Treasurer.

LB1314 declares an emergency.

Net cash fund effect will be zero, below are estimates our office is providing for informational purposes on the possible interest which will earn to the IPAF rather than ERCF. However, much is unknown about the rate of expenditures, particularly for ARPA, which will affect interest accrual.

	Perkins Interest Estimate	ARPA	Prison
FY23-24	\$380,000	\$4,000,000	\$5,500,000
FY24-25	\$18,600,000	\$13,000,000	\$16,000,000
FY25-26	\$18,000,000	\$5,000,000	\$6,200,000

LB1314 would lessen the administrative burden on DED. The increase in administrative burden on the State Treasurer could likely be accommodated with their current appropriation.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1314	AM:	AGENCY/POLT. SUB: State Treasurer	
REVIEWED BY: Neil Sullivan	DATE: 2/1/2024	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the State Treasurer assessment of no administrative impact from LB 1314; however, the State Treasurer would administer the Inland Port Authority Fund and related grants and would require aid appropriation.			

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

2024

LB⁽¹⁾ 1314

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ Jan. 22, 2024 Phone: ⁽⁵⁾ 402-471-2793

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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 1314 requires the State Treasurer to create a grant application form, receive applications and make transfers as directed by the budget administrator.

The State Treasurer's Office doesn't expect any fiscal impact from LB 1314 to the office.

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

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

2024

LB⁽¹⁾ 1314

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 1/30/2024 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	-\$24,000,000	-\$24,000,000	-\$16,000,000	-\$16,000,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	-\$24,000,000	-\$24,000,000	-\$16,000,000	-\$16,000,000

Explanation of Estimate:

LB1314 would create a new cash fund called the Inland Port Authority Fund administered by the State Treasurer. The fund would receive transfers from the interest earned after July 1, 2024 on federal funds allocated to the State from the federal Coronavirus State Fiscal Recovery Fund, investment earnings from the Perkins County Canal Project Fund, and the Nebraska Capital Construction Funds dedicated to the construction of a new state prison. These funds would be used by the Treasurer to provide grants to an inland port authority located in Omaha. The total amount of interest to be transferred is estimated to be approximately \$40 million. Originally, these funds were to be transferred to the Economic Recovery Cash Fund at DED.

Currently, there is not a designated inland port authority in Omaha certified by the Director of the Department of Economic Development under Section 13-3304.

The provisions of LB1314 would result in a reduction of funds in DED's Economic Recovery Cash Fund of an estimated \$40 million, further it is estimated that approximately 60% will be transferred in FY2024-25 and the remainder in FY2025-26. Because most of the programs to be funded by the Economic Recovery Cash Fund have already been awarded, the major exception being \$30 million for an iHub within two miles of an airport. DED believes that the impact of this reduction would be minimal on agency staffing, resulting the reduction of approximately one Economic Development Consultant I position, primarily working on monitoring and grant management.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2024-25	2025-26
	24-25	25-26	EXPENDITURES	EXPENDITURES
A49011 Econ. Dev Business Consultant I	-0.50	-1.00	-\$45,500	-\$60,670
Benefits.....			-15,920	-21,230
Operating.....			-14,460	-19,690
Travel.....			-4,550	-6,370
Capital outlay.....				
Aid.....			-23,919,570	-15,892,040
Capital improvements.....				
TOTAL.....			-\$24,000,000	-\$16,000,000