

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	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.

LB 363 is the Apprenticeship Grant Act. The purpose of the act is to provide job training and classroom instruction opportunities to underemployed and unemployed individuals.

Section 3 provides definitions for the act.

Section 4 makes businesses meeting certain requirements eligible for a grant to assist in providing an apprenticeship. The maximum grant award per apprentice is thirty-seven thousand dollars (\$37,000). Businesses may apply for no more than one grant for the same apprentice and shall not be awarded more than five grants total in any twelve-month period. The Department of Labor (DOL) shall not award more than four million dollars (\$4,000,000) of grants in any one fiscal year.

Section 5 allows apprentices to apply to DOL for a grant to pay child care costs while training as an apprentice in a building or construction trade.

Section 7 creates the Apprenticeship Nebraska Cash Fund. DOL may use up to five percent of any appropriation to pay for administrative costs. The fund shall consist of money transferred to the fund by the Legislature and money donated as gifts, bequests, or other contributions from public or private entities.

Section 8 terminates the act on June 30, 2031.

DOL estimates the need for 2.35 FTE in fiscal year 2025-26 and ongoing, annualized costs of \$461,114 beginning in fiscal year 2026-27. These estimates do not include grant award amounts. There is no basis to disagree with these estimates.

Notwithstanding DOL's estimates, LB 363 limits the amount of administrative expenses to five percent of any appropriation provided. Since section 4 limits total grant awards to \$4,000,000 per fiscal year, the maximum allowable administrative costs would be \$200,000. Therefore, the maximum appropriation would be \$4,200,000 in any given fiscal year. For this reason, the maximum possible grant/administrative costs are utilized in this fiscal note.

The bill does not include a specific funding source for the Apprenticeship Nebraska Cash Fund. In order to meet any appropriation needs, in the absence of available cash funds, General Funds would be required.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 363	AM:	AGENCY/POLT. SUB: Nebraska Department of Labor	
REVIEWED BY: Ryan Yang	DATE: 2/6/2025	PHONE: (402) 471-4178	
COMMENTS: No basis to disagree with the Nebraska Department of Labor assessment of fiscal impact from LB 363 appears reasonable.			

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2025

LB⁽¹⁾ 363

FISCAL NOTE

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

Prepared by: ⁽³⁾ Rea Easton Date Prepared: ⁽⁴⁾ 2/5/2025 Phone: ⁽⁵⁾ 402-416-6809

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>308,397</u>	_____	<u>461,113</u>	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u><u>308,397</u></u>	<u>_____</u>	<u><u>461,113</u></u>	<u>_____</u>

Explanation of Estimate: LB363 creates an apprenticeship grant for unemployed and underemployed individuals to be administered by the Nebraska Department of Labor (NDOL) in partnership with the Nebraska Department of Health and Human Services. Under the Act, NDOL will develop an Application Process and execute a memorandum of understanding with the Department of Health and Human Services before December 31, 2025, to ensure the exchange of data regarding registered apprenticeship programs and SNAP Next Step Program.

Section 4 of LB363 provides that a business is eligible for a grant to assist in providing an apprenticeship if the business’s apprenticeship is part of a registered apprenticeship program, the apprenticeship will be completed in Nebraska, and the business intends to offer the apprentice full time employment upon the successful completion of the apprenticeship at a wage sufficient to reduce participation in economic assistance programs. Businesses awarded a grant may be reimbursed for wages or tuition for apprentices to participate in classroom instruction up to \$37,000 per apprentice.

Section 5 of LB363 allows the individual apprentice to also apply for a grant to pay up to \$37,000 in childcare costs while training as an apprentice in a building or construction trade. Under this section, NDOL is required to recover any grant awarded to an apprentice if the individual does not complete the apprenticeship program.

LB363 limits the grant amount to no more than four million dollars in any one fiscal year, and will, to the extent possible, allow equitable access to the grants in all geographic areas of the State.

LB363 will require NDOL to utilize one Job Training Program Coordinator and one Workforce Coordinator beginning January 1, 2026, for program development, grant management and to process applications. This will also require an Accountant II and part of a NDOL Workforce Services Administrator. An IT Applications Developer/Sr position will be required to develop online application submissions and tracking. Additionally, legal support will be required to first draft program guidelines, review forms and application materials before being made available to the public – the same position will be needed in an ongoing basis for grant agreements and legal guidance throughout the grant process. Legal support will also be required to recover grants funds awarded to an apprentice who does not complete an apprenticeship program. NDOL estimates .5 Attorney III and .25 of a Paralegal II are needed to cover the workload.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
JT Program Coordinator	.50	1.00	34,036	70,114
Workforce Coordinator	.50	1.00	28,296	58,290
Workforce Services Administrator	.10	.20	10,007	20,613
IT Applications Developer/Sr	.50		49,296	
Accountant II		1.00		79,367
Paralegal II	.25	.25	23,184	23,880
Attorney III	.50	.50	58,512	60,268
Total Salaries	2.35	3.95	203,331	312,532
Benefits			73,333	112,717
Operating			31,733	35,864
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL			308,397	461,113