

Revised due to amendments adopted on Select File

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				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 818, as part of the FY2023-2025 budget recommendation, amends transfers funds, amends provisions related to funds, and outright repeals sections related to funds. Additional information can be accessed in the "State of Nebraska FY 2023-24 and FY 2024-25 Biennial Budget, As Proposed by the Appropriations Committee 108th Legislature, First Session" published May, 2023, accessible online at <https://nebraskalegislature.gov/pdf/reports/fiscal/2023budget.pdf>. The bill was amended on General File by AM1172, which was the Appropriations Committee amendment, AM1635, AM1616, and AM1584.

On Select File, the bill was amended by AM1729, which reduced the transfer in FY23-24 from the General Fund to the Cash Reserve Fund from \$610,125,000 to \$440,000,000; by AM1623, which adds a section to amend provisions related to the County Bridge Match Program to clarify the program cap and to extend the program termination date to June 30, 2029; and by AM1745, which included numerous provisions, including:

- Strike sections 9 and 10, which authorized transfers from the State Park Cash Revolving Fund;
- Amend section 23 to clarify use of the Education Future Fund related to special education reimbursements;
- Amend section 25 to disallow use of the Site and Building Development Fund for a grant to a city of the first class for riverfront improvement projects;
- Amend section 32 to remove additional authority for grants to a county agricultural society under the Economic Recovery Act; and
- Amend section 39 to clarify organizations providing food assistance for which the Department of Health and Human Services shall apply for a state plan amendment for use of federal Temporary Assistance for Needy Families funds.

Fund transfers included in sections 1 to 6 of LB 818 include:

From	To	FY 2023-24	FY 2023-25
General Fund	Cultural Preservation Endowment	\$1,000,000	\$1,000,000
Prison Overcrowding Contingency Fund	Vocational and Life Skills Programming Fund	\$5,000,000	\$5,000,000
NE Competitive Telephone Marketplace Fund	General Fund	Balance	\$0
NE Agricultural Products Research Fund	General Fund	Balance	\$0

In section 7, the bill authorizes quarterly transfers from the Charitable Gaming Operations Fund to the Compulsive Gamblers Assistance Fund of \$100,000 per quarter through June 30, 2025.

In section 8, the use of the State Game Fund is amended to allow for payment of claims by landowners in Nebraska for property damage caused by deer, antelope, or elk, if such payment is in compliance with federal laws and regulations. (Related to LB 744)

In sections 9 and 10, the State Park Cash Revolving Fund is amended to allow transfers to the Site and Building Development Fund and the Economic Recovery Contingency Fund and to transfer \$1,997,409 on July 1, 2023, to the Site and Building Development Fund, and to transfer \$2 million on July 1, 2023, and \$2 million on July 1, 2024 to the Economic Recovery Contingency Fund. (Related to LB 709 and LB 719) AM 1745 on Select File struck these two sections so these transfers are no longer authorized.

In section 11, the Water Recreation Enhancement Fund is amended to allow transfers of investment earnings to the Panhandle Improvement Project Cash Fund and to transfer \$1 million on July 1, 2023.

In section 12, the Surface Water Irrigation Fund is amended to credit investment earnings to the fund, pursuant to LB 125.

In section 13, the Water Resources Cash Fund is amended to restrict use of any funds transferred from the Nebraska Environmental Trust Fund to be expended in accordance with the purposes of the Nebraska Environmental Trust Act.

In section 14, the Critical Infrastructure Facilities Cash Fund is amended to allow use of the fund for a grant to an entity within a county with a population exceeding 100,000 inhabitants formed pursuant to the Interlocal Cooperation Act for the purpose of funding a portion of the cost of a wastewater system. (Related to LB 769)

In section 15, the Perkins County Canal Project Fund is amended to credit fees collected for water delivery to the fund and to allow the money in the fund to be used to "identify the optimal route and purchase land for and develop, construct, manage, and operate the Perkins County Canal".

As amended by AM1608, in section 16, the Health Care Cash Fund is amended to increase the transfer to the fund from the Nebraska Medicaid Intergovernmental Trust Fund and the Nebraska Tobacco Settlement Trust Fund from \$51 million per year to \$61.7 million in FY2023-24, \$61.5 in FY2024-25, and \$55.4 million in each year thereafter. (Related to LB 539 and LB 802 and AM1596 to LB 814)

In section 17, the Hall of Fame Trust Fund is amended to limit the annual \$10,000 transfer to the fund from the General Fund if the balance in the fund exceeds \$50,000 on the last day of the preceding fiscal year.

In sections 18 to 20, the Capitol Restoration Cash Fund provisions are amended, and the Capitol Preservation, Restoration, and Enhancement Endowment Fund is created, pursuant to the provisions of LB 547.

In section 21, references to the Nebraska Internet Enhancement Fund are stricken.

In sections 22 and 23, the Education Future Fund is created and transfers from the General Fund are authorized, pursuant to LB 681, and use is clarified by AM1745.

In section 24, transfers from the Nebraska Veterans' Aid Fund to the Veteran Cemetery Construction Fund are authorized, and \$4 million in FY2023-23 and \$4 million in FY2024-25 is transferred. (Related to LB 80)

As amended by AM1616 and AM1635, in sections 25 and 26, the Site and Building Development Act is amended to allow for additional uses of the Site and Building Development Fund, including a grant to a city of the first class for riverfront improvement projects; a grant to a city of the first class for housing, employment, or programming for youth exiting foster care; public and private initiatives to improve infrastructure in cities of the second class that have partnered with the U.S. Department of Defense or its contractors on upgrades to ground-based nuclear deterrence; and large commercial and industrial sites and building infrastructure to attract major investment and employment opportunities for advanced manufacturing, processing, trade, technology, aerospace, automotive, clean energy, life science, etc. Section 26 relates to matching requirements. (Related to LB 563, LB 712, LB 719, and LB 644) AM1745 amended uses to no longer allow use of the fund for a grant to a city of the first class for riverfront improvement projects.

In sections 27 to 31, the Shovel-Ready Capital Recovery and Investment Act is amended to include additional eligible 501(c)(3) organizations, to reopen the application period, to amend matching requirements for qualifying projects, and to clarify intent regarding appropriations. (Related to LB 608)

In sections 32 and 33, the Economic Recovery Act is amended to increase grant limitations for grants to a nonprofit economic development organization for a business park within two miles of a major airport, to increase grant limitations to a county agricultural society with facilities in a city of the primary class, and to clarify use of the Economic Contingency Fund. (Related to LB 709 and LB 785) Section 32 was amended by AM1745 to no longer increase grant limitation to a county agricultural society.

In section 34, the Nebraska Environmental Trust Fund is amended to authorize transfers to the Water Resources Cash Fund, subject to a limitation that funds transferred be expended in accordance with the purposes of the Environmental Trust Fund Act.

In section 35, provisions related to the Cash Reserve Fund are amended to authorize transfers to and from the fund, as originally contained in LB 819. Additional Cash Reserve Fund transfers, as amended by AM1172, AM1584, and AM1729 on Select File include:

	FY22-23	FY23-24	FY24-25
To/from Gen Fund		440,000,000	(1,000,000)
To Nebr Capital Construction Fund (NCCF)	(540,000)	(182,623,825)	(25,458,800)
To Perkins County Canal Fund		(574,500,000)	
To Rural Workforce Housing fund		(20,000,000)	
To Site & Building Fund		(2,000,000)	(10,000,000)
To Middle Income Housing fund		(20,000,000)	
To Roads Operations Cash Fund	(100,000,000)		
To State Indemnification Revolving Fund	(18,750,000)		
From Gov Emergency Fund		2,000,000	
To Econ Recovery Contingency		(240,000,000)	
To Shovel Ready Capital Recovery Fund		(90,000,000)	
To Critical Infrastructure Facilities Fund		(10,000,000)	
To Economic Development Cash Fund		(20,000,000)	
To Public Safety Fund		(1,115,000)	
To Accounting Division Revolving Fund		(1,100,000)	
To Health and Human Services Cash		(11,320,000)	
To Risk Loss Trust (State Colleges)		(3,000,000)	
To Youth Outdoor Education Fund		(10,000,000)	
To Public Safety Comm Systems Revolving Fund		(5,000,000)	
To Materiel Division Revolving Fund		(2,500,000)	
To State Building Revolving Fund		(1,400,000)	

In section 36, references to the Nebraska Competitive Telephone Marketplace Fund are stricken.

As amended by AM1584, in section 37, the Nebraska Telecommunications Universal Service Fund is amended to transfer \$1.2 million to the 211 Cash Fund in FY2023-24 and \$1.455 million in FY2024-25 to the 211 Cash Fund.

In section 38, the HCBS Enhanced FMAP Fund is created, and use is prescribed.

In section 39, the Department of Health and Human Services is required to submit a state plan amendment to the federal Administration for Children and Families to allow Temporary Assistance for Needy Families funds to be used for activities of child advocacy centers; coordination activities of the state chapter of child advocacy centers; domestic violence services; and grants to nonprofits that provide food assistance. (Related to LB 112, LB 739, and LB 763) AM1745 clarifies organizations providing food assistance for which the Department of Health and Human Services shall apply for a state plan amendment for use of federal Temporary Assistance for Needy Families funds.

In section 40, the Economic Development Cash Fund is created, and use is prescribed. (Related to LB 617)

In section 41, the Lead Service Line Cash Fund is created, and use is prescribed. (Related to LB 613)

In section 42, the Panhandle Improvement Project Cash Fund is created, and use is prescribed.

In sections 43 and 44, grant program criteria for a grant for youth outdoor education programs are prescribed, and the Youth Outdoor Education Innovation Fund is created. (Related to LB 281)

Section 45 is the repealer. Section 46 outright repeals sections 72-2208, 81-1278, 81-1279, 81-1280, 86-127, and 86-579. Section 47 adds the emergency clause.