

PREPARED BY: Clinton Verner  
 DATE PREPARED: February 10, 2022  
 PHONE: 402-471-0056

**LB 968**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	\$10,000,000			
OTHER FUNDS				
TOTAL FUNDS	\$10,000,000			

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

LB968 appropriates \$8 million of ARPA funds to the Department of Economic Development for the creation of a program that would award grants to nonprofit organization that develop affordable housing, including housing for refugees and other such immigrants. LB968 prescribes rules for qualified grantees.

LB968 appropriates an additional \$2 million of ARPA funds to the Department of Economic Development to Program 603 for the purposes of job training and job placement grants to nonprofit organizations for employment and employability services for refugees. No basis to disagree with the Department’s estimated expenditure schedule.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 968	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Patrick Redmond	DATE: 2/10/2022	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Economic Development assessment of fiscal impact from LB 968. The maximum funding available under the federal Coronavirus State Fiscal Recovery Fund is \$1.04 billion, of which only \$520 million is currently available. Appropriation of these funds must be balanced in aggregate in order to avoid over obligation.			

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**2022**

**LB<sup>(1)</sup> 968**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Economic Development

Prepared by: <sup>(3)</sup> Dave Dearmont Date Prepared: <sup>(4)</sup> 1/24/2022 Phone: <sup>(5)</sup> 402-471-3777

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	<u>\$750,000</u>	<u>\$10,000,000</u>	<u>\$1,500,000</u>	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u><u>\$750,000</u></u>	<u><u>\$10,000,000</u></u>	<u><u>\$1,500,000</u></u>	_____

**Explanation of Estimate:**

LB968 seeks to appropriate \$8 million of federal ARPA funds to DED Program 601 in FY 2022-23 to fund award grants to nonprofit organizations that develop affordable housing, including housing for refugees and other such immigrants. The bill also seeks to appropriate \$2 million in ARPA funds to DED Program 603 to provide grants to non-profit organizations to provide job training and job placement services for refugees.

The affordable housing grants shall be for households with a federal adjusted gross income of less than \$100,000 in disproportionately impacted geographies for disproportionately impacted populations or households including those in areas defined as qualified census tracts as of 1/1/22. At least half of the funds allocated for affordable housing grants must be for affordable housing projects in counties with populations of less than 100,000 inhabitants. Both allocations are to be from federal funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021. As such, DED must coordinate and administer the two new programs in compliance with the federal American Rescue Plan Act of 2021 and the relevant federal statutes and regulations.

LB968 would result in additional responsibilities for DED. DED would need to develop, implement, and provide the subrecipient monitoring necessarily required to comply with federal statutes and regulations related to the provision of grants to the indicated subrecipients. This would require adequate staffing and infrastructure to support the two programs throughout the grant programs' lifecycles. The grant programs developed under LB968 would require appropriate staffing and infrastructure to support the grant program through at least 12/31/27, and potentially record retention support through 12/31/31.

DED assumes that the ARPA funds would be distributed approximately 7.5%, 15%, 35%, 35%, 7.5% in FY2022-23 through FY2026-27, respectively. The provisions of LB968 would require the services of an Economic Development Business Consultant II to serve as the housing specialist for this housing grant program, and half-time services of a Federal Aid Administrator III and a IT Business Systems Analyst to assist applicants with the applications and grant management software and disburse grant payments, and an internal auditor to monitor sub-recipient's use of funds. The operating costs include annual costs of \$6,640 for additional rent, and \$11,670 for software licensing for the department's grant management software.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

POSITION TITLE	NUMBER OF POSITIONS		2022-23	2023-24
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
A49012 Econ. Dev. Bus Consultant II	1.00	1.00	\$62,410	\$63,970
A19613 Fed. Aid Administrator III	0.00	0.50	0	32,680
A07081 IT Bus. Systems Analyst	0.50	0.50	31,000	31,780
G21200 Internal Auditor	0.25	0.50	17,800	36,480
<b>Total</b>	1.75	2.50	\$111,210	164,910
Benefits.....			44,490	65,970
Operating.....			40,400	51,210
Travel.....			11,120	16,490
Capital outlay.....			25,800	8,600
Aid.....			516,980	1,192,820
Capital improvements.....				
<b>TOTAL.....</b>			\$750,000	\$1,500,000