

PREPARED BY: Clinton Verner
 DATE PREPARED: February 14, 2022
 PHONE: 402-471-0056

LB 1070

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	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.

LB1070 appropriates \$20,000,000 of ARPA Federal Funds to the Nebraska Department of Economic Development for the Rural Workforce Housing Investment Act. No fiscal impact for reasons described in the technical note.

Technical note: Sec. (3)(a) states, “The Department of Economic Development shall use the funds 6 appropriated in this section to award grants for infrastructure related to rural workforce housing authorized pursuant to the Rural Workforce Housing Investment Act.” The authority to issue grants under the Rural Workforce Housing Act (81-1229) expires FY20-21. All funds under the act are transferred to the Affordable Housing Trust Fund in FY22. Grants cannot be made.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1070	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Patrick Redmond	DATE: 2/11/2022	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Economic Development assessment of fiscal impact from LB 1070.			

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

2022

LB⁽¹⁾ 1070

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dave Dearthmont Date Prepared: ⁽⁴⁾ 1/21/2020 Phone: ⁽⁵⁾ 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>\$1,500,000</u>	<u>\$20,000,000</u>	<u>\$3,000,000</u>	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$1,500,000</u>	<u>\$20,000,000</u>	<u>\$3,000,000</u>	_____

Explanation of Estimate:

LB 1070 seeks to appropriate \$20 million from federal funds for FY 2022-23 to the Department of Economic Development for the purpose of awarding grants for infrastructure related to rural workforce housing pursuant to the Rural Workforce Housing Investment Act. The federal funds have been allocated to the State of Nebraska as part of the American Rescue Plan Act of 2021 (ARPA).

LB1070 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 program throughout the grant program's lifecycle. The grant program developed under LB1070 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.

Starting with the ARPA funded grant program, experience with the Rural Workforce Housing Investment program, and the requirements for ARPA funds, the department believes that the grant payments would be distributed approximately 7.5%, 15%, 35%, 35% and 7.5% in fiscal years 2022-23 through 2026-27, respectively. Operating costs include \$22,730 annually for software licensing for the department's grant management software, and \$9,300 annually for addition rent to house the new staff. The bill carries the emergency clause, which will allow the department to begin the hiring process before the start of FY2022-23.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<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	\$63,980
A49011 Econ Dev Bus Consultant I	1.00	1.00	58,060	59,510
G21200 Internal Auditor	0.25	0.50	17,790	36,480
A19613 Fed Aid Administrator III	0.00	0.50	0	32,680
IT Business Systems Analyst	0.50	0.50	31,010	31,770
Sub Total Position Title	2.75	3.50	\$169,270	\$224,420
Benefits.....			67,710	89,770
Operating.....			66,130	77,220
Travel.....			16,930	55,440
Capital outlay.....			34,400	0
Aid.....			1,145,560	2,553,150
Capital improvements.....				
TOTAL.....			\$1,500,000	\$3,000,000