

PREPARED BY: Clinton Verner  
 DATE PREPARED: February 7, 2022  
 PHONE: 402-471-0056

**LB 1229**

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	\$1,000,000			
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$1,000,000</b>			

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

LB1229 appropriates \$1,000,000 of Federal Funds pursuant to the American Rescue Plan to the Nebraska Department of Economic Development. LB1229 would have the Department issue funds to a non-profit for the purposes of free sports and fitness programs, stipends for event and marketing internships, and facility rental costs for amateur sports and fitness events.

As this legislation stipulates, “a” singular non-profit we anticipate administrative costs to be minimal.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1229	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Patrick Redmond	DATE: 2/7/2022	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Economic Development assessment of no fiscal impact from LB 1229. 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.			

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

2022

LB<sup>(1)</sup> 1229

FISCAL NOTE

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

Prepared by: <sup>(3)</sup> Dave Dearthmont Date Prepared: <sup>(4)</sup> 2/4/2022 Phone: <sup>(5)</sup> 402-471-3777

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

	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

LB1229 appropriates \$1 million to the Department of Economic Development for FY2022-23 which DED shall provide to a Nebraska-based 501(c)(3) tax-exempt organization for the following purposes: (a) Operation of free sports and fitness programs; (b) Stipends for event and marketing internships for Nebraska college students; and (c) Facility rental costs for amateur sports and fitness events that attract out-of-state visitors and generate economic benefit for Nebraska communities.

The appropriation is 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 programs in compliance with the federal American Rescue Plan Act of 2021 and the relevant federal statutes and regulations.

LB1229 would likely result in minimal additional responsibilities for DED as the department is only required to provide the funds appropriated to a single Nebraska-based nonprofit. It is unclear if this creates a subrecipient or beneficiary relationship with the nonprofit but given the limited nature of the appropriation and its intended use, minimal staffing and infrastructure to support the efforts should be required. The funds appropriated under LB1229 would require some support until expended or returned to Treasury 12/31/26 and records would need to be retained until 5 years thereafter 12/31/31. DED believes that the provisions of LB1229 could be accomplished within a larger program that uses ARPA resources and staffing.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

POSITION TITLE	NUMBER OF POSITIONS		2022-23	2023-24
	22-23	23-24	EXPENDITURES	EXPENDITURES
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____