

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		See below		See below
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

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

LB741 creates intent to:

- Transfer \$25,000,000 from the General Fund for FY23-24, FY24-25 to the Rural Workforce Housing Investment Fund;
- Appropriate \$25,000,000 from the General Fund for FY23-24, FY24-25 to the Affordable Housing Trust Fund.

FY22-23 Rural Workforce Housing Fund appropriation is \$30,179,559 and 1.5FTE, and FY22-23 AHTF appropriation is \$13,960,802 with 6.8FTE. DED’s estimate of increased administrative impact appears reasonable considering the intent for \$100,000,000 in new funding.

Technical note: Funds cannot be appropriated to a cash fund. For the provisions under subsection 2) there will need to be a transfer of General Funds to the Affordable Housing Trust Fund and corresponding increase in cash fund appropriation.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 741	AM:	AGENCY/POLT. SUB: Department of Economic Development
REVIEWED BY: Neil Sullivan	DATE: 3/3/2023	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Economic Development assessment of fiscal impact from LB 741.		
<u>Technical Note:</u> The current transfer and appropriation intent language is not sufficient to execute a transfer of funds nor to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804 including a specific fund type.		

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

2023

LB⁽¹⁾ 741

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 2/16/2023 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$2,500,000</u>	<u>(\$25,000,000)</u>	<u>\$11,250,000</u>	<u>(\$25,000,000)</u>
CASH FUNDS	<u>2,500,000</u>	<u>25,000,000</u>	<u>11,250,000</u>	<u>25,000,000</u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>\$5,000,000</u>	<u>\$0</u>	<u>\$22,500,000</u>	<u>\$0</u>

Explanation of Estimate:

LB 741 contains intent language to transfer \$25 million from the General Fund to the Rural Workforce Housing Investment Fund in fiscal years 2023-24 and 2024-25, to provide grants under the RWHF. The bill also contains intent language to appropriate \$25 million in fiscal years 2023-24 and 2024-25 from the General Fund to the Department for the Affordable Housing Trust Fund to finance loans, grants, subsidies, credit enhancements and other financial assistance under the act.

DED believes that the total \$100 million will be distributed approximately 5%, 22.5%, 37.5%, and 7.5% in FY2023-24 through FY2027-28, respectively.

The Department estimates a need for an additional 4 Economic Business Consultants II, 1 Accountant III, and 0.5 IT Data/Database Analyst for the administration of these funds. Operating costs include \$113,670 annually for software and licenses for grant management software and \$12,000 for additional leased office space.

It is assumed that cash fund appropriations are intended by the intent to appropriate from the General Fund to the Affordable Housing Trust Fund.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
A49012 Econ Dev Bus Consultant II	<u>2.50</u>	<u>4.00</u>	<u>\$166,080</u>	<u>\$276,350</u>
A19013 Accountant III	<u>0.75</u>	<u>1.00</u>	<u>47,370</u>	<u>65,680</u>
A07051 IT Data/Database Analyst	<u>0.50</u>	<u>0.50</u>	<u>36,890</u>	<u>38,370</u>
Total	<u>3.75</u>	<u>5.50</u>	<u>\$250,340</u>	<u>\$380,400</u>
Benefits.....			<u>100,130</u>	<u>152,160</u>
Operating.....(Includes Grant Mgt costs)			<u>174,050</u>	<u>204,840</u>
Travel.....			<u>25,030</u>	<u>38,040</u>
Capital outlay.....			<u>43,000</u>	<u>0</u>
Aid.....			<u>4,407,450</u>	<u>21,724,560</u>
Capital improvements.....			<u>0</u>	<u>0</u>
TOTAL.....			<u>\$5,000,000</u>	<u>\$22,500,000</u>