

PREPARED BY: Clinton Verner  
 DATE PREPARED: February 5, 2024  
 PHONE: 402-471-0056

**LB 888**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$25,000,000			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$25,000,000			

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

LB888 appropriates \$25,000,000 from the General Fund for FY2024-25 to the Department of Economic Development for the purposes of carrying out the Middle-Income Workforce Housing Investment Act. Program currently has operations appropriation commensurate with an approximately twenty-six-million-dollar aid appropriation, fund balance is approximately thirteen and a quarter million dollars. As such, operations cost provided by the agency appears unreasonable.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 888	AM:	AGENCY/POLT. SUB: Department of Economic Development
REVIEWED BY: Neil Sullivan	DATE: 2/8/2024	PHONE: (402) 471-4179
COMMENTS: The Department of Economic Development assessment of fiscal impact from LB 888 appears reasonable.		

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

**2024**

**LB<sup>(1)</sup> 888**

**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> 1/29/2024 Phone: <sup>(5)</sup> 402-471-3777

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

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$6,250,000		\$12,500,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$6,250,000</b>		<b>\$12,500,000</b>	

**Explanation of Estimate:**

LB888 contains language to transfer \$25 million from the General Fund to the Middle-Income Workforce Housing Fund in fiscal year 2024-25, to provide grants under the MWHF program.

DED believes the total \$25 million will be distributed approximately 25 percent in FY2024-25, 50 percent in FY2025-26, and 25 percent in FY2026-27.

The Department estimates a need for two (2) additional staff members, including one (1) Economic Development Manager position and one (1) Economic Development Consultant II position, for the administration of these funds. Operating costs include \$60,507 annually for software and licenses for grant management software and \$5,972 for additional leased office space.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
G49550 Economic Development Manager	1.0	1.0	\$72,640	\$72,640
A49012 Economic Development Consultant II	.75	1.0	\$51,356	\$71,900
Benefits.....			\$43,400	\$49,400
Operating.....			\$65,700	\$71,300
Travel.....			\$12,400	\$14,500
Capital Outlay.....			\$17,200	\$0
Aid.....			\$5,987,304	\$12,220,260
Capital Improvements.....			\$0	\$0
<b>TOTAL.....</b>			<b>\$6,250,000</b>	<b>\$12,500,000</b>