

Revised based upon amendments adopted

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	1,492,000	1,492,000	961,000	961,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	1,492,000	1,492,000	961,000	961,000

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

LB 641 would establish a Bioscience Innovation Program under the Business Innovation Act, administered by the Department of Economic Development. A Bioscience Innovation Cash Fund would be created to receive transfers and other sources of revenue for the program, and to pay up to \$2,000,000 per year in funding assistance and related administrative costs.

LB 641 as amended provides that beginning October 1, 2017, loan repayments from the Nebraska Progress Loan Fund, as authorized by the federal State Small Business Credit Initiative Act of 2010, could be credited to the Bioscience Innovation Cash Fund. The Department of Economic Development estimates that \$1,492,000 in loan repayments will be received in FY17-18 and \$961,000 in repayments received in FY18-19.

Because LB 641 does not carry out transfers into the Bioscience Innovation Cash Fund from any other source, it is estimated that loan repayments would be the only source of revenue to the fund. The Department of Economic Development estimates that administration of the fund could be accomplished using existing staff. As a result, all expenditures would be made in the form of state aid payments.

As amended, the Bioscience Innovation Cash Fund would be terminated upon exhaustion of its funds.

Amendments adopted to LB 641 would create the Nebraska Economic Development Task Force within the Legislative Council. The task force would consist of nine members of the Legislature, and would meet at least once every three months to gather input on issues pertaining to economic development and discuss proactive approaches on economic development. There would be a cost for these meetings with respect to mileage and other expenses for legislators. However these travel costs could already be incurred for any other duties as a legislator and are budgeted as such and not shown as additional costs attributed to the bill.

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

2017

LB⁽¹⁾ 641 AM560 and AM747

FISCAL NOTE

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

Prepared by: ⁽³⁾ Courtney Dentlinger Date Prepared: ⁽⁴⁾ 3/29/2017 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2017-18		FY 2018-19	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>

Explanation of Estimate:

LB641 requires the Department of Economic Development to establish a bioscience innovation program under the Business Innovation Act (BIA) to provide assistance to biosciences-related businesses. The bill also creates the Bioscience Innovation Cash Fund, and limits awards from the cash fund to \$2 million per year.

LB 641 as amended by AM560, the bill transfers loan repayments from the Nebraska Progress Loan Fund as authorized by the federal State Small Business Credit Initiative Act of 2010, and adds the emergency clause.

AM747 strikes the emergency clause, and starts the transfers from loan repayments to the Biosciences Innovation Cash Fund beginning October 1, 2017. The Department expects loan repayments for FY2017-18 to be \$1,492,000 and in FY2018-19 to be \$961,000. However, the bill allows other sources of funding to be credited to the Bioscience Innovation Cash Fund, but caps spending at \$2 million annually.

The Department of Economic Development anticipates minimal costs associated with the provisions of LB641 as amended, and could accomplish this within the current appropriation.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2017-18	2018-19
	17-18	18-19	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....			\$2,000,000	\$2,000,000
Capital improvements.....				
TOTAL.....			<u>\$2,000,000</u>	<u>\$2,000,000</u>

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

2017

LB⁽¹⁾ 641 (AM893 & FA54)

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 03 Legislative Council

Prepared by: ⁽³⁾ Diane Nickolite Date Prepared: ⁽⁴⁾ 4/5/2017 Phone: ⁽⁵⁾ 402-471-2226

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2017-18		FY 2018-19	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>7500</u>	<u> </u>	<u>7500</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>7500</u>	<u> </u>	<u>7500</u>	<u> </u>

Explanation of Estimate:

AM893 creates the Nebraska Development Task Force. The task Force shall be composed of three members of the Legislature appointed by the Executive Board, one from each congressional district and six members of various chairpersons of committees or his or her designee. FA54 adds the chairperson of the planning committee or his or her designee to the task force. The task force shall collaborate with the Department of Economic Development and the Department of Labor to gather input on issues pertaining to economic development. The task force is to meet on or before June 15 of each year and then every three months, a total of four times per year. There would be a cost for these meetings with respect to mileage and other expenses for seven (7) legislators and three (3) appointments. Since an emergency clause exists FY2017 costs estimated at \$1875.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
Benefits.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Operating.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Travel.....	<u> </u>	<u> </u>	<u>7500</u>	<u>7500</u>
Capital outlay.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Aid.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital improvements.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL.....	<u> </u>	<u> </u>	<u>7500</u>	<u>7500</u>