

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

LB 1100

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	\$1,000,000			
OTHER FUNDS				
TOTAL FUNDS	\$1,000,000			

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

LB1100 appropriates \$1,000,000 in Federal Funds related to ARPA to the Department of Economic Development. The fund purpose is to conduct feasibility studies to assess siting options for new advanced nuclear reactors throughout Nebraska and existing electric generation facilities based on key compatibility assets for such advanced nuclear reactors.

No basis to disagree on DED’s need for an internal auditor. However, the bill language states the funds appropriated shall only be used by a political subdivision that owns or operates a nuclear plant in Nebraska to conduct a feasibility study to assess certain aspects related to nuclear reactors.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1100	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Patrick Redmond	DATE: 2/2/2022	PHONE: (402) 471-4181	
COMMENTS: The Department of Economic Development assessment of fiscal impact from LB 1100 appears reasonable.			

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2022

LB⁽¹⁾ 1100

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 1/31/2022 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2022-23		FY 2023-24	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	\$1,000,000	\$1,000,000	\$31,690	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$1,000,000</u>	_____	<u>\$31,690</u>	_____

Explanation of Estimate:

LB1100 seeks to appropriate \$1 million from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021 to DED for fiscal year 2022-23 to be used by a political subdivision that owns or operates a nuclear plant in Nebraska. A qualifying political subdivision shall use the funds to conduct a feasibility study to assess "siting options for new advanced nuclear reactors throughout Nebraska and existing electric generation facilities based on key compatibility assets for such advanced nuclear reactors."

DED must coordinate and administer the use of the funds in compliance with the federal American Rescue Plan Act of 2021 and the relevant federal statutes and regulations.

LB1100 would result in additional responsibilities for DED. DED would need to develop, implement, and provide monitoring necessarily required to comply with federal statutes and regulations related to the provision of funds to a subrecipient. This would require adequate staffing and infrastructure to support the program throughout the grant program's lifecycle. The grant program developed under LB1100 would require appropriate staffing and infrastructure to support the grant program through at least 1/31/2027, and potentially record retention support through 12/31/2031. It is estimated that these duties can be accomplished with the services of 0.25 FTE of an internal auditor, who could monitor the activities of the subrecipient as required by ARPA, as well as distribute the funds to the grantee. The bill contains the emergency clause, and for purposes of this note, DED assumes that the funds will become available on 7/1/2022.

Technical Note: LB1100 identifies disparate health outcomes as the negative impact from COVID that this expenditure will address. It is unclear if this is impact would comply with federal statutes and regulations.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2022-23	2023-24
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
G21200 Internal Auditor	0.25	0.25	\$17,790	\$18,240
Benefits.....			7,120	7,300
Operating.....			4,240	4,330
Travel.....			1,780	1,820
Capital outlay.....			8,600	0
Aid.....			960,470	
Capital improvements.....				
TOTAL.....			\$1,000,000	\$31,690