

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$4,000,000		\$4,000,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$4,000,000		\$4,000,000	

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

LB993 creates the Apprenticeship Grant Act, states the purpose of the act, sets definitions, allows for businesses to apply to the Department of Economic Development for grants to assist in providing an apprenticeship, and sets grant eligibility. LB993 requires the Department of Economic Development to develop a qualified action plan by January 1 of each odd-numbered year and describes the plan, requires the Department of Economic to execute memorandums of understanding with the Department of Labor and the - Department of Health and Human Services to obtain data, requires the Department of Economic Development to submit an annual report to the Governor and the Legislature on or before October 1, 2025 and each year thereafter and describes the report, and allows the Department of Economic Development to contract with a qualified nonprofit.

LB993 creates the Apprenticeship Nebraska Cash Fund, which is to be used to carry out the Apprenticeship Grant Act, and allows up to five percent of the appropriation of said cash fund to be used for administration.

The Department of Economic Development prepared their fiscal note under the assumption that there would be an annual Cash Fund appropriation of \$4,000,000.

The bill sets a limitation on grants of \$4 million per year. However, while a cash fund is created, there is no revenue to such fund. As a result, for purposes of this fiscal note, we assume a General Fund expenditure for grants and administrative expenses. Note: LFO assumes administrative costs would be reduced from the \$4 million appropriated for the program, resulting in available aid of \$3.8 million. Should the intent of the legislation be to award the full \$4 million in grants, the administrative costs would be in addition to this amount.

In addition, the Agency does not assume any salary or benefits increases for FY25-26 for the additional personnel needed pursuant to this bill's provisions. While the actual salary and health insurance increases for FY25-26 and thereafter are not yet determined, it is important to note that any additional personnel in FY24-25 will have ongoing rising costs associated with salary and health insurance increases, which are normally addressed in the biennial budget process for all bargaining and non-bargaining employees.

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

2024

LB⁽¹⁾ 993

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 1/15/2024 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2024-25		FY 2025-26	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	4,000,000	_____	4,000,000	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$4,000,000</u>	_____	<u>\$4,000,000</u>	_____

Explanation of Estimate:

LB993 would create the Apprenticeship Grant Act administered by the Department of Economic Development. The bill would allow businesses to apply to DED for assistance in providing registered apprenticeships in Nebraska, provided that the apprentice participates in the "SNAP Next Program" or programs affiliated with the Nebraska Workforce Innovation and Opportunity Act, and the business intends to offer full-time employment upon successful completion of the program. Grants may be used to reimburse wages or tuition for apprentices. The bill limits grant assistance to \$37,000 per apprentice, and the number of apprentices to 100 per business.

The bill also requires DED to produce a qualified action plan by January 1, of odd-numbered years, and an annual report by October 1, 2025, and each year afterward. The annual report is to include data by business recipient, demand for apprenticeships by geographical area, and the number of apprentices who receive subsequent self-sufficient employment and an estimate of the savings to the SNAP program due to participation in the apprenticeship program.

The bill would also create the Apprenticeship Nebraska Cash Fund in DED. The bill does not contain any language regarding an intent to transfer funds to the new cash fund. The bill limits total awards to \$4 million per fiscal year, and for purposes of this note, DED assumes that this language serves as intent to appropriate that amount for program. The bill also specifies that 5% of any appropriation may be used for administration. If \$4 million or less is appropriated for this program, the 5% limit on the cash fund would not be large enough to cover the estimated expenses from the cash fund, so a General Fund appropriation would also be needed.

DED estimates that the provisions of LB993 will require the services of a Business Consultant II, a Business Consultant I, and an Attorney III to implement the program, manage grants, collect data, and complete reports. Operating costs include \$4,550 and \$6,720 per year for licenses for grant-management software and additional office rental space. Note that DED's cost estimates do not estimate any costs for developing the data sets necessary to carry out the reporting requirements in LB993 using Department of Health and Human Services and Department of Labor data. Note also that the PSL and benefits estimates contain no adjustment for future wage increases.

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>
A49012 Econ Dev Bus Consultant II	0.75	1.00	\$50,870	\$67,820
A49011 Econ Dev Bus Consultant I	0.50	1.00	31,550	65,620
Total Personal Services	1.25	2.00	82,420	130,910
Benefits.....			37,010	53,980
Operating.....			80,570	15,110
Travel.....				
Capital outlay.....				
Aid.....			3,800,000	3,800,000
Capital improvements.....				
TOTAL.....			\$4,000,000	\$4,000,000

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2024

LB⁽¹⁾ 993

FISCAL NOTE

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

Prepared by: ⁽³⁾ Rea Easton Date Prepared: ⁽⁴⁾ 1/16/2024 Phone: ⁽⁵⁾ 402-416-6809

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate: There is no fiscal impact to the Nebraska Department of Labor for LB 993.

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____