

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS		(1,433,000) See below		
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB56, enacted in 2015, required the Director of Administrative Services to cause a survey of the property which comprises the Norfolk Regional Center. The bill further provided that the Director of Administrative Services, in consultation with the Department of Health and Human Services, was to determine what portion of the surveyed property was not needed for state purposes. Notwithstanding the provisions of sections 72-811 to 72-818 (relating to vacant state buildings and excess state land), the Director of Administrative Services was subsequently to submit a report to the Legislature and Governor and request authorization to give the Northeast Community College Area the right of first refusal to purchase, at its appraised value, the portion of the property not needed for state purposes. LB56 required approval of the Legislature (or Executive Board if the Legislature is not in session) and the Governor to give such right of first refusal to the Northeast Community College Area.

LB660 (Sec. 37), also enacted in 2015, appropriated \$1,000,000 from the Nebraska Capital Construction Fund to the Department of Administrative Services to abate and remove hazardous materials; demolish and remove buildings; and, demolish and remove infrastructure from the Norfolk Regional Center property.

The Department of Administrative Services (DAS) indicates property remediation, survey and appraisal costs of \$652,785 have been incurred relating to the Norfolk Regional Center property. As directed by LB56 [2015], 43.55 acres of the Norfolk Regional Center have been determined to be in excess of the needs of the state. The property has been appraised at \$1,433,000. Under current law, proceeds from sale of the property are to accrue to the Vacant Building and Excess Land Cash Fund which is administered by the State Building Division of DAS.

LB376 provides that the Director of Administrative Services (within 30 day of the effective date of the bill if it is enacted) is to submit a request to the Legislature and the Governor asking for authorization to transfer the 43.55 acres (of the Norfolk Regional Center property) to the Northeast Community College Area as a donation. If such a request were to be granted by the Governor and Legislature, no proceeds from the sale of the related property would accrue to the Vacant Building and Excess Land Cash Fund. The related estimate of the cash fund revenue loss detailed in the table above is based upon the \$1,433,000 appraised value of the property.

In the case of current law, the prospect exists that the Northeast Community College Area may ultimately exercise a right of first refusal to purchase the Norfolk Regional Center property for \$1,433,000 (appraised value). Under provisions of LB376, the prospect exists that the property may be conveyed to the Northeast Community College Area as a donation. Either prospect requires future approval of the Governor and the Legislature (or Executive Board if the Legislature is not in session). In either case, such approval or lack thereof cannot be predicted. Even if approval were granted to give the Northeast Community College Area a right of first refusal to purchase the property for \$1,433,000, presumably Northeast could elect not to exercise the right. As such, the fiscal impact of LB376 as it relates to the Northeast Community College Area is indeterminate. Provisions of LB376, if enacted, represent a prospect that the Northeast Area might acquire the Northeast Regional Center property for \$1,433,000 less than what possibly may be the case under current law. However, this prospect is ultimately uncertain given unknown future gubernatorial and legislative actions.

ADMINSTRATAIVE SERVICE STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 376	AM:	AGENCY/POLT. SUB: Dept of Administrative Services
REVIEWED BY: Gary Bush	DATE: 1/26/17	PHONE: <a href="tel:(402)471-4161">(402) 471-4161</a>
COMMENTS: Agree with the estimate provided by the agency.		

ADMINSTRATAIVE SERVICE STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 376	AM:	AGENCY/POLT. SUB: Neb. Community College Assoc.
REVIEWED BY: Gary Bush	DATE: 1/24/17	PHONE: <a href="tel:(402)471-4161">(402) 471-4161</a>
COMMENTS: Disagree that there would be no fiscal impact to the Northeast Community College. The college would realize a saving of approximate \$1.4 million by not having to buy the land from the State. This is the appraised value of the land.		

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

2017

LB<sup>(1)</sup> LB376

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Administrative Services (DAS) - State Building Division (SBD)

Prepared by: <sup>(3)</sup> Byron J. Brogan Date Prepared: <sup>(4)</sup> January 17, 2017 Phone: <sup>(5)</sup> 402.471.8351

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

	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH/OTHER FUNDS	_____	(\$1,433,000)	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	(\$1,433,000)	=====	=====

**Explanation of Estimate:**

The Norfolk Regional Center (“NRC”) campus property proposed to be donated pursuant to LB376 is located at 1700 N. Victory Road, Norfolk. LB376 provides for such 43.55 acre tract of real property to be conveyed to Northeast Community College for no consideration.

Pursuant to LB56 (2015) the Director of Administrative Services was required to arrange for a survey of excess land on the NRC campus for the purpose of offering such property to Northeast Community College for sale at its appraised price by granting to the College a right of first refusal before offering it for sale to the public. Once the land was cleared and made ready for sale, the real property is appraised at \$1,433,000. Taking into consideration the amounts already expended by DAS – State Building Division – Vacant Building and Excess Land (VBEL) Cash Fund and the Nebraska Capital Construction Funds (NCCF) to complete the necessary survey(s), appraisal(s) and remediation of the property, the costs to date regarding the project are calculated below:

<b>Expenditures:</b>	
Cost of Property Remediation	637,179.28
Survey Costs	5,460.00
Appraisal Costs	+ 10,145.80
<b>COSTS OF THE PROJECT</b>	<b>\$ 652,785.08</b>

If the property was sold at the appraised value of \$1,433,000 DAS – SBD would recoup the expended costs of the project and would realize net proceeds of \$780,214.92 that could be used by the VBEL fund to fund other projects.

Sale of Property	1,433,000.00
Less recovered costs of the Project	- 652,785.08
<b>NET PROJECT PROCEEDS</b>	<b>\$ 780,214.92</b>

LB376 would convey the property to the College for no consideration resulting in the revenue loss to the State of \$1,433,000.

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**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

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

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

2017

LB<sup>(1)</sup> 376

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Community College Association

Prepared by: <sup>(3)</sup> Greg Adams Date Prepared: <sup>(4)</sup> 1/17/2017 Phone: <sup>(5)</sup> 402-471-4685

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</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:

No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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