

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	467,472		484,503	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>467,472</b>		<b>484,503</b>	

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

LB 992 is the Broadband Internet Service Infrastructure Act.

Section 2 provides definitions for the Act.

Section 3 allows electric utilities to install, maintain, or own an attached facility for operation by a commercial broadband supplier in providing commercial broadband service. Similarly, electric utilities may lease or otherwise provide to a commercial broadband supplier any excess capacity of attached facilities for purposes of providing commercial broadband service.

Section 6 creates the position of state broadband coordinator and places it in the office of the Chief Information Officer. The duties of the state broadband coordinator include:

- Encouraging each county or region comprising a group of counties to appoint a broadband coordinator to facilitate broadband planning and coordination;
- Encouraging each county or region to work with groups of stakeholders;
- Assisting such counties, regions, and stakeholders in determining the assets available, the areas for improvement, and strategies to improve broadband availability; and,
- Exploring the creation of broadband cooperatives in unserved or underserved areas of the state.

Section 7 requires the Nebraska Library Commission to employ four regional technicians who shall be employed by the commission and provide technical support for public libraries across the state.

Section 8 requires the Public Service Commission to establish the Nebraska E-Rate Special Construction Matching Fund Program. Beginning July 2, 2021, the program shall receive funding from the Nebraska Telecommunications Universal Service Fund to provide incentives for fiber optic cable to be constructed to benefit public libraries.

Section 12 terminates the Nebraska Internet Enhancement Fund on June 30, 2021 and directs the State Treasurer to transfer any unencumbered money in the fund on such date to the Nebraska Telecommunications Universal Services Fund.

The Nebraska Library Commission estimates the cost of four additional FTE, as required by section 7, to be \$377,906 for fiscal year 2020-21 with ongoing costs of \$376,567 thereafter. This estimate appears to be reasonable.

The Department of Administrative Services – OCIO estimates the cost for one additional FTE, as required by section 6, to be \$89,566 for fiscal year 2020-21 and \$107,936 thereafter. This estimate appears to be reasonable.

No costs are shown for the Public Service Commission because the bill provides for a reallocation of Universal Service Fund expenditures, not new expenditures.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 992 AM: AGENCY/POLT. SUB: Library Commission

REVIEWED BY: Neil Sullivan DATE: 1/29/2020 PHONE: (402) 471-4179

COMMENTS: The Library Commission assessment of fiscal impact from LB 992 appears overstated in the first year as the positions would not likely be fully implemented by July 1.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 992 AM: AGENCY/POLT. SUB: OCIO

REVIEWED BY: Neil Sullivan DATE: 1/30/2020 PHONE: (402) 471-4179

COMMENTS: The OCIO assessment of fiscal impact from LB 992 appears reasonable.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 992 AM: AGENCY/POLT. SUB: Public Service Commission

REVIEWED BY: Neil Sullivan DATE: 1/24/2020 PHONE: (402) 471-4179

COMMENTS: The bill includes new Telecommunications Universal Service Fund aid related to construction of fiber infrastructure benefiting libraries.

The bill also terminates the Nebraska Internet Enhancement Fund and related financial assistance. The fund receives receipts from dark fiber leasing proceeds and excess receipts from the Nebraska Competitive Telephone Marketplace Fund. These receipts, as well as the remaining fund balance, are redirected to the Nebraska Telecommunications Universal Service Fund.

In FY19 the Nebraska Internet Enhancement Fund received \$70,875 in revenue and expended \$101,679 including \$100,000 in aid.

There is no basis to disagree with the Public Service Commission assessment that fiscal impact from LB992 is manageable within current resources.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 992 AM: AGENCY/POLT. SUB: Power Review Board

REVIEWED BY: Neil Sullivan DATE: 1/16/2020 PHONE: (402) 471-4179

COMMENTS: The Power Review Board assessment of no fiscal impact from LB 992 appears reasonable.

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

2020

LB<sup>(1)</sup> 992

FISCAL NOTE

State Agency OR Political Subdivision  
Name: <sup>(2)</sup>

Nebraska Library Commission

Prepared by: <sup>(3)</sup> Rod Wagner

Date Prepared: <sup>(4)</sup> January 29, 2020

Phone: <sup>(5)</sup> 402-471-4001

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

	FY 2020-21		FY 2021-22	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	377,906		376,567	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	377,906		376,567	

**Explanation of Estimate:**

LB 992 includes a provision that the Library Commission employ four regional technicians to provide technical support for public libraries across the state. The Commission would need authorization and funding to employ these positions. The estimate includes creating these IT positions (full-time) with associated costs for salary/benefits, operating expenses (office space and associated costs), travel for trips to libraries for on-site work, and initial equipment and furniture for each position. The estimate is based on employment beginning July 1, 2020.

The original fiscal note submitted on January 22, 2020 included calculations based on employment of IT Infrastructure Support Technicians. The IT Infrastructure Support Analyst/Senior is more appropriate given the responsibilities and requirements for these positions.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

POSITION TITLE	NUMBER OF POSITIONS		2020-21 <u>EXPENDITURES</u>	2021-22 <u>EXPENDITURES</u>
	<u>20-21</u>	<u>21-22</u>		
IT Infrastructure Support Analyst/Senior	4	4	231,356	237,140
Benefits.....			87,050	87,927
Operating.....			27,500	27,500
Travel.....			24,000	24,000
Capital outlay.....			8,000	
Aid.....				

Capital  
improvements.....  
TOTAL.....

377,906	376,567

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

**2020**

**LB<sup>(1)</sup> 992**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Administrative Services (DAS) – Office of the Chief Information Officer (OCIO)

Prepared by: <sup>(3)</sup> Ann Martinez Date Prepared: <sup>(4)</sup> 1/24/2020 Phone: <sup>(5)</sup> 402-471-4135

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

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>
GENERAL FUNDS	<u>\$89,566</u>	<u></u>	<u>\$107,936</u>	<u></u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
REVOLVING FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
<b>TOTAL FUNDS</b>	<b><u>\$89,566</u></b>	<b><u></u></b>	<b><u>\$107,936</u></b>	<b><u></u></b>

**Explanation of Estimate:**

LB 992 states that the Legislature wants to encourage local and regional broadband planning, and to encourage public-private partnerships to enhance broadband services in unserved and underserved areas of the state.

The bill creates the position of the State Broadband Coordinator. The position would be located in the Office of the Chief Information Officer (OCIO).

The coordinator shall encourage each county or region - comprising of a group of counties to appoint a broadband coordinator to facilitate broadband planning and coordination; to encourage the county and/or region to work with groups of stakeholders, which may include, businesses and industries, community foundations, local governments, local or regional economic development organizations, schools, colleges, other educational entities, public libraries, health care institutions, financial institutions, telecommunications providers, public power districts, electric cooperatives, nonprofit organizations, and other interested entities; and to assist such counties, regions, and stakeholders in determining what broadband assets are available, the areas for improvement and strategies to improve broadband availability and use; and to explore the creation of broadband cooperatives in unserved or underserved areas of the state.

The creation of the State Broadband Coordinator within the OCIO will require a new FTE – Program Manager and General Fund appropriation.

The estimated cost for this FTE is \$89,566 in FY20-21 and \$107,936 in FY21-22. These costs include salary and benefits (health insurance is based on the State’s share of the highest cost family plan); ongoing annual operating costs (OCIO expenses including computer leasing costs, printing/publication, rent/depreciation surcharge, and other supplies.) The FY20-21 calculations assume that the position wouldn’t be filled for the first two months of the year. There would also be a one-time cost of \$1,400 in FY20-21 for set up costs and the purchase of new non-capitalized equipment (monitors, furniture, etc.).

Video conferencing can be used for some meetings, but face to face meetings will also needed. The Broadband Coordinator will need to travel throughout the state to meet with the counties, regions, stakeholders and to attend group meetings like NACO (Nebraska Association of County Officials) or the League of Municipalities, etc.

The estimated costs include \$4,501 for travel in FY20-21 and \$5,423 for travel in FY21-22 and \$1,200 to attend a national conference in the first fiscal year.

The travel costs include funds for State-owned vehicle rentals and mileage, hotel, meal costs and possible registration costs.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Project Manager	1	1	\$49,516	\$61,149
Benefits.....			\$29,285	\$36,950
Operating.....			\$5,064	\$4,414
Travel.....			\$5,701	\$5,423
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL</b> .....			<b>\$89,566</b>	<b>\$107,936</b>

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

**2020**

**LB<sup>(1)</sup> 992**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Public Service Commission

Prepared by: <sup>(3)</sup> Suzanne Hinzman Date Prepared: <sup>(4)</sup> 01/16/2020 Phone: <sup>(5)</sup> 402-471-0240

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

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

This bill has no fiscal impact for the Public Service Commission.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	<u>0</u>	<u>0</u>

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

**2020**

**LB<sup>(1)</sup> 992**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Power Review Board

Prepared by: <sup>(3)</sup> Tim Texel Date Prepared: <sup>(4)</sup> Jan. 16, 2020 Phone: <sup>(5)</sup> 402-471-2301

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</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>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____