

Updated to reflect all amendments adopted to date.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 992, as amended by AM3055, is the Broadband Internet Service Infrastructure Act.

Sections 2 and 3 provide Legislative findings and definitions for the Act.

Section 4 allows an electric utility and commercial broadband supplier to enter into a broadband facility agreement for the use of an electric utility easement or electric utility infrastructure, or both, to:

1. Install, maintain, or own, (or permit any commercial broadband supplier to do the same) an attached facility for operation by a commercial broadband supplier in providing commercial broadband service; and
2. Lease or otherwise provide to a commercial broadband supplier any excess capacity of attached facilities for purposes of providing commercial broadband service.

Section 8 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 use; and,
- Exploring the creation of broadband cooperatives in unserved or underserved areas of the state.

Section 15 provides an operative date of July 1, 2022 for the provisions in section 8.

Section 9 requires the Public Service Commission to establish the Nebraska E-Rate Special Construction Matching Fund Program. Beginning July 1, 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 13 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 Department of Administrative Services – OCIO estimates the cost for one additional FTE, as required by section 8, to be \$111,506 for fiscal year 2022-23 and \$110,106 thereafter. These costs will be funded with General Funds, but do not show up on the table above, due to falling outside to time frame reflected in that table. These estimates appear 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: 1160 AM: 3055 AGENCY/POLT. SUB: Public Service Commission

REVIEWED BY: Neil Sullivan DATE: 7/28/2020 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 FY20 the Nebraska Internet Enhancement Fund received \$27,072 in revenue and expended \$1,565.

There is no basis to disagree with the Public Service Commission assessment that fiscal impact from LB992 as amended by AM 3055 is manageable within current resources

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

LB: 992 AM: 3055 AGENCY/POLT. SUB: Power Review Board

REVIEWED BY: Neil Sullivan DATE: 7/27/2020 PHONE: (402) 471-4179

COMMENTS: The Power Review Board assessment of no fiscal impact from LB 992 as amended by AM 3055 appears reasonable.

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

2020

LB⁽¹⁾ 992 AM 3055

FISCAL NOTE

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

Prepared by: ⁽³⁾ Ann Martinez Date Prepared: ⁽⁴⁾ 07/27/2020 Phone: ⁽⁵⁾ 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>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>See below</u>	<u>See below</u>	<u>See below</u>	<u>See below</u>

Explanation of Estimate:

The bill and AM 3055 creates the position of the State Broadband Coordinator. AM 3055 delays when the position is created until July 1, 2022 – the second fiscal year of the new biennium – FY22-23. 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 – a Program Manager and General Fund appropriation/PSL in the second fiscal year of the new biennium.

The estimated cost for this new FTE is \$111,506 in FY22-23. These costs include salary of \$60,556 plus 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.) There would also be a one-time cost of \$1,400 in FY22-23 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 be 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 \$5,423 for instate travel in FY22-23 and \$1,200 to attend a national conference.

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

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

2020

LB⁽¹⁾ 992, AM3055

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Public Service Commission

Prepared by: ⁽³⁾ Laurie Casados Date Prepared: ⁽⁴⁾ 07/27/2020 Phone: ⁽⁵⁾ 402-471-0252

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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

This bill, as amended, 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.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>0</u>	<u>0</u>

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2020

LB⁽¹⁾ 992 (revised based on AM3055)

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Power Review Board

Prepared by: ⁽³⁾ Tim Texel Date Prepared: ⁽⁴⁾ July 27, 2020 Phone: ⁽⁵⁾ 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:

LB 992, as amended by AM 3055, would have No Fiscal Impact on the Power Review Board.

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.....	_____	_____	_____	_____