

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$37,131		\$41,492	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$37,131</b>		<b>\$41,492</b>	

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

LB 406 would create the Lower Platte River Infrastructure Task Force. LB 406 designates membership qualifications and funding sources for this Task Force. The purpose of which is to study three to five potential flood-control infrastructure projects along the river basin of the lower Platte River, gather data and information, and compile an analysis. The legislation highlights eleven specific data types to be gathered which consist of the following:

- Hydrology and water supply;
- Topography of the area;
- Geotechnical information;
- Existing infrastructure that may be impacted;
- Existing and future recreation and economic needs of the area;
- Existing and expected economic data of the area;
- Existing and expected demographic data of the area;
- Environmental data of flood sites and regional environmental data;
- Future land-use master plans;
- Existing and planned transportation infrastructure; and
- Land ownership data.

The Task Force shall consist of nine members who will not be compensated other than expense reimbursement. The Task Force is allowed to expend funds to hire consultants. The legislation outlines criteria the Task Force should consider in locating the infrastructure projects, mandates the Task Force define project elements as outlined by the Legislature, mandates an economic analysis, an environmental analysis, and mandates that the Task Force report its findings to the Clerk of the Legislature. \$900,000 is to be transferred from the Water Sustainability Fund to the Critical Infrastructure Facilities Cash Fund to carry out the purposes of the Task Force. Such funds may only be expended by the Task Force on a dollar-per-dollar basis with matching funds from private sources in support of the study.

The legislation does not establish a deadline for the Task Force report, however the Department of Natural Resources anticipates that 24-months will be an adequate amount of time and we have no reason to dispute their assumptions.

LB 406 requires the Task Force to meet quarterly, with the Department of Natural Resources estimating the costs of travel and per diem for nine members to total \$37,131 for FY21-22 and \$41,492 for FY22-23 with the bulk of costs related to travel and facility costs, which we do not dispute. As noted above, legislation dictates that funds are only to be expended by the Task Force on a dollar-per-dollar basis with matching funds from private sources to support the study. The legislation does not identify a source of matching funds, and the Department of Natural Resources cannot identify matching funds. Funds cannot be spent until a source of matching funds is identified. A \$900,000 cash fund transfer from within the Department of Natural Resources would have no fiscal impact to the General Fund and would be a neutral cash fund impact.

CONTINUED

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 406	AM:	AGENCY/POLT. SUB: Department of Natural Resources
REVIEWED BY: Claire Oglesby	DATE: 1/25/21	PHONE: (402) 471-4174
COMMENTS: No basis to dispute with the Department of Natural Resources estimate of potential fiscal impact to the Agency.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 406	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY: Claire Oglesby	DATE: 1/25/21	PHONE: (402) 471-4174
COMMENTS: Concur with the University's statement of no fiscal impact.		

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Natural Resources

Prepared by: <sup>(3)</sup> Ron Theis Date Prepared: <sup>(4)</sup> 1/20/2021 Phone: <sup>(5)</sup> 402 471 0577

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$37,131		\$41,492	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$37,131</u>		<u>\$41,492</u>	

Explanation of Estimate:

Basic Assumptions:

The bill transfers funds from the Water Sustainability Fund under Program 313 – Water Sustainability Fund to the Critical Infrastructure Facilities Cash Fund (CIFCF) under Program 314 – Critical Infrastructure Facilities Program for use by the created Task Force. The cash fund appropriation level for each of the programs should be adjusted to reflect the one-time transfer.

The bill’s section 2 funding mechanism explicitly limits expenditures to a dollar-per-dollar matching of funds from private sources in support of the Task Force’s subject and duties described in section 1. Total available funds for expenditure and thus total scope and budget may not therefore be accurately determined in advance without assuming all such section 2 funds are available.

Assumptions for Estimating Fiscal Impact:

The bill proposes a Task Force will conceive and evaluate three to five project proposals consistent with the bill’s guidelines and file a final report to the Legislature. Certain duties of the bill’s proposed Task Force purpose are directly related to Department duties for dams, geotechnical and hydraulic design and analysis, and flood information, and will necessarily require the efforts of Department staff for implementing. The costs are chiefly estimated based upon personnel hours and relevant hourly personnel costs applicable to specific implementation components for the reporting period as set out below along with the following assumptions:

- 24-month Task Force (the bill does not establish a report deadline currently but given the scope of work this would appear to be the minimum time necessary for completion of the scope of work)
- Quarterly meetings of the Task Force
- This fiscal note includes costs for agency administrative support, summarizing and providing access to relevant data and information housed in the Department to meet

section 1 requirements, and preliminary review of technical designs for sufficiency in meeting Department standards for dam construction and floodplain development.

- For purposes of determining agency administrative costs, it is assumed the agency will have no role in soliciting required donations.

General Administration and Contracting for Task Force Activities:

- RFP development and contracting with selected contractors – 72 hours
- Planning, scheduling, and attending Task Force Meetings – 64 hours for Agency Director, 32 hours for administrative support (8 hours per meeting with 8 quarterly meetings over two years)
- Processing of payments to Task Force members and contract invoices = 40 hours

Technical Information and Support for Task Force Reports:

- Engineering Division – 60 hours (summarize and provide available information related floodplain and dam safety program requirements)
- Engineering Division – 40 hours (review of draft and final reports)
- Director and Assistant Director – 40 hours (review of draft and final reports)

Operating Expenses for Task Force Members:

- Reimbursements for Task Force members per diem, travel expenses, and meeting facility costs in amount of up to \$27, 203 annually.

Technical Notes

NRS 61-224 does not provide for private contributions to the CIFCF, “The fund shall consist of funds appropriated or transferred by the Legislature.” The bill’s requirement that expenditures from the CIFCF are made only with a dollar-per-dollar matching of funds from private sources without the ability to place those contributions in the CIFCF will require duplicative accounting methods.

The bill authorizes the Director to appoint Task Force members. Appointments are an authority of the Governor rather than Director pursuant to Article 4 Section 10 of the state constitution.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22 EXPENDITURES</u>	<u>2022-23 EXPENDITURES</u>
	<u>21-22</u>	<u>22-23</u>		
			\$7,552	\$10,867
Benefits.....			\$2,376	\$3,422
Operating.....			\$27,203	\$27,203
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				

**TOTAL**.....

\$37,131

\$41,492

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**2021**

**LB<sup>(1)</sup> 406**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Michael Justus Date Prepared: <sup>(4)</sup> January 17, 2021 Phone: <sup>(5)</sup> 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</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:

Creates the Lower Platte River Infrastructure Task Force and requires the participation of the Dean of the UNL College of Engineering. It would have no fiscal impact on the University.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____