

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	(\$82,978,608)		(\$82,978,608)	
CASH FUNDS	\$14,111,601		\$14,111,601	
FEDERAL FUNDS				
OTHER FUNDS	\$360,567		\$360,567	
TOTAL FUNDS	(\$68,506,440)		(\$68,506,440)	

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

LB 2 amends appropriations provisions to reduce reappropriated General Funds from FY2023-24 and to reduce appropriated General Funds for FY2024-25. In addition, the bill makes several changes to cash fund reappropriations from FY2023-24 and appropriations for FY2024-25.

The reductions in reappropriated funds from FY2023-24 are as follows:

Agency	Prog #	Prog Name	General Fund Lapse
Legislative Council	122	Legislative Services	(\$3,500,000)
Legislative Council	123	Clerk of the Legislature	(\$1,500,000)
Governor	018	Policy Research Office	(\$250,000)
Governor	021	Office of the Governor	(\$500,000)
Lt. Governor	124	Office of the Lieutenant Governor	(\$25,000)
Secretary of State	045	Election Administration	(\$250,000)
Treasurer	024	State Disbursement Unit	(\$100,000)
PSC	793	Broadband Bridge	(\$5,000,000)
Revenue	102	Revenue Administration	(\$1,290,000)
Revenue	112	Property Assessment	(\$355,500)
Agriculture	078	Agriculture Department	(\$500,000)
Fire Marshal	193	Public Protection	(\$250,000)
DHHS	033	Administration	(\$15,000,000)
DHHS	038	Behavioral Health Aid	(\$8,000,000)
DHHS	347	Public Assistance	(\$10,000,000)
DHHS	424	Developmental Disability Aid	(\$8,000,000)
DHHS	624	Health Information Exchange	(\$1,250,000)
Veterans Affairs	511	Veterans' Affairs	(\$1,300,000)
Natural Resources	334	Soil & Water Conservation	(\$1,250,000)
Military Department	192	Governor's Emergency Fund	(\$35,000,000)
Game & Parks	336	Wildlife Conservation	(\$250,000)
Game & Parks	337	Administration	(\$100,000)
Game & Parks	550	Planning and Trails	(\$50,000)
Game & Parks	617	Engineering & Area Maintenance	(\$100,000)
Corrections	200	Operations	(\$10,000,000)
Historical Society	648	State Historical Society	(\$500,000)
Oil & Gas Commission	335	Oil & Gas Commission	(\$100,000)

State Patrol	100	Public Protection	(\$1,000,000)
State Patrol	850	Public Safety Communication System	(\$1,000,000)
DAS	101	Chief Information Officer	(\$75,000)
DAS	509	Budget Administration	(\$750,000)
DAS	608	Employee Relations Division	(\$500,000)
DAS	685	Capitol Commission	(\$700,000)
DAS	901	State Capitol Improvements	(\$300,000)
Foster Care Review	116	Foster Care Review	(\$250,000)
Crime Commission	150	Juvenile Services Act	(\$300,000)
Crime Commission	155	County Juvenile Services Aid	(\$900,000)
Crime Commission	198	State & Local Planning	(\$500,000)
Crime Commission	199	Law Enforcement Training Center	(\$5,000,000)
Crime Commission	203	Jail Standards	(\$100,000)
Crime Commission	204	Office of Violence Prevention	(\$400,000)
Crime Commission	220	Community Corrections Council	(\$300,000)
TERC	115	Tax Equalization and Review	(\$200,000)
		TOTAL	(\$116,695,500)

Agency	Prog #	Prog Name	Cash Fund Lapse
DHHS	033	Administration	(\$6,500,000)

LB 2 also changes new appropriations for FY2024-25, as follows:

Agency	Prog #	Program Name	General	Cash	Revolving
Legislative Council	122	Legislative Services	(\$1,750,000)	\$0	\$0
Legislative Council	123	Clerk of the Legislature	(\$750,000)	\$0	\$0
Secretary of State	045	Election Administration	(\$250,000)	\$0	\$0
Treasurer	024	State Disbursement Unit	(\$100,000)	\$0	\$0
PSC	793	Broadband Bridge	(\$5,000,000)	\$0	\$0
Revenue	102	Revenue Administration	(\$1,450,000)	\$0	\$0
Revenue	112	Property Assessment	(\$306,440)	\$0	\$0
Agriculture	078	Agriculture Department	(\$494,000)	\$1,200,000	\$0
Agriculture	078	Agriculture Department Aid	(\$1,006,000)	\$300,000	\$0
Fire Marshal	193	Public Protection	(\$3,500,000)	\$3,500,000	\$0
DHHS	033	Administration	(\$25,000,000)	\$0	\$0
DHHS	347	Public Assistance	(\$5,000,000)	\$0	\$0
DHHS	424	Developmental Disability Aid	\$0	\$8,000,000	\$0
DHHS	502	Public Health Aid	(\$7,284,060)	\$7,284,060	\$0
DHHS	623	Biomedical Research	\$0	(\$15,000,000)	\$0
DHHS	624	Health Information Exchange	(\$1,250,000)	\$0	\$0
Veterans Affairs	511	Veterans' Affairs	(\$1,000,000)	\$0	\$0
Natural Resources	334	Soil & Water Conservation	(\$2,500,000)	\$1,000,000	\$0
Natural Resources	334	Soil & Water Conservation Aid	\$0	(\$1,000,000)	\$0
Military Department	545	Emergency Management	(\$200,000)	\$0	\$0
Game & Parks	337	Administration	(\$1,010,596)	\$1,010,596	\$0
Game & Parks	549	Parks - Administration and Operation	(\$7,816,945)	\$7,816,945	\$0
Corrections	200	Operations	(\$10,000,000)	\$0	\$0
Oil & Gas Commission	335	Oil & Gas Commission	(\$100,000)	\$0	\$0
State Patrol	100	Public Protection	(\$3,500,000)	\$0	\$0
DAS	101	Chief Information Officer	(\$360,567)	\$0	\$360,567
Foster Care Review	116	Foster Care Review	(\$250,000)	\$0	\$0
Crime Commission	150	Juvenile Services Act	(\$150,000)	\$0	\$0

Crime Commission	155	County Juvenile Services Aid	(\$500,000)	\$0	\$0
Crime Commission	198	State & Local Planning	(\$534,817)	\$0	\$0
Crime Commission	198	State & Local Planning Aid	(\$165,183)	\$0	\$0
Crime Commission	199	Law Enforcement Training Center	(\$1,500,000)	\$0	\$0
Crime Commission	204	Office of Violence Prevention	(\$150,000)	\$0	\$0
TERC	115	Tax Equalization and Review	(\$100,000)	\$0	\$0
TOTAL			(\$82,978,608)	\$14,111,601	\$360,567

The changes in appropriations in FY2024-25 as are assumed to be ongoing as they amend the base appropriation for the following biennium.

The table at the top of the first page reflects changes in the FY2024-25 appropriations, but not the lapsed FY2023-24 appropriations as the fiscal year is completed and the lapses only affect the amount of excess appropriation carried forward from FY2023-24 to FY2024-25.

The bill contains the emergency clause.

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

2024

LB<sup>(1)</sup> 2 Special Session

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Association of County Officials (NACO)

Prepared by: <sup>(3)</sup> Elaine Menzel Date Prepared: <sup>(4)</sup> 7/28/2024 Phone: <sup>(5)</sup> 402.434.5660

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:

LB 2 would eliminate identified appropriations for operation of state government for various programs and services that benefit counties, including but not limited to:

- the Juvenile Services Act, \$300,000 (section 35);
- County Juvenile Services Aid, \$900,000 (section 36);
- Behavioral Health Aid, \$8,000,000 (section 42);
- Nebraska Health Care Cash Fund (section 49); and
- Broadband Bridge, \$5,000,000 (section 66).

Due to the loss of these appropriations to programs or services, it will possibly result in the need to further shift expenses to increase property taxes, cut essential or mandated services and programs, the inability to fulfill state and federal mandates or a combination of these options.

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.....	_____	_____	_____	_____

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2024

LB<sup>(1)</sup> 2

FISCAL NOTE

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

Prepared by: <sup>(3)</sup> Laurie Casados Date Prepared: <sup>(4)</sup> 7/26/24 Phone: <sup>(5)</sup> 402-471-0252

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

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	-\$5,000,000	-\$10,000,000	-\$5,000,000
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	-\$5,000,000	\$10,000,000	-\$5,000,000

**Explanation of Estimate:**

The Nebraska Broadband Bridge Program (NBBP) is a grant program designed to bring broadband service to unserved and underserved areas of the state. Pursuant to Neb. Rev. Stat. § 86-1303, the program is appropriated \$20 million per fiscal year for grant awards and administration of the program.

The Commission has initiated the Nebraska Broadband Bridge Program grant cycle for the FY 2024-2025 fiscal year, but has not yet made awards. Therefore, to accommodate the \$5 million reduction in the appropriation for 2024-2025 fiscal year, the Commission would reduce the amount of grant funding available for the current grant cycle.

The Commission has, however, already made awards for the NBBP grant cycle for 2023-2024. In January, 2024, the Commission awarded 22 grants totaling \$19.7 million. A breakdown of the grant awards made is attached to this fiscal note. These projects are underway. Per Neb. Rev. Stat. § 86-1304, the awardees are allowed 18 months to complete the build, with the possibility for additional extensions of time. Grant awards are paid out incrementally - 25% is paid out initially, 25% is paid out 9 months after the grant award, and the remaining funds are paid out upon completion of the project.

In order to accommodate the \$5 million reduction in reappropriation for FY 23-24, and still pay out grant funds the Commission is legally obligated to pay, the Commission would need to pay \$5 million of FY 23-24 grants from the FY 24-25 general fund appropriations. This would thus reduce the amount of grant awards available for FY 24-25 to \$10 million.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<b>POSITION TITLE</b>	<b>NUMBER OF POSITIONS</b>		<b>2023-24</b>	<b>2024-25</b>
	<b><u>23-24</u></b>	<b><u>24-25</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>EXPENDITURES</u></b>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				-\$10,000,000
Capital improvements.....				
<b>TOTAL</b> .....				<b>-\$10,000,000</b>

## 2023 Nebraska Broadband Bridge Program Grant Awards

Applicant Name	Project Name	Locations Served	Grant Award
ALLO Communications, LLC	South Sidney	33	\$196,384.00
ALLO Communications, LLC	Fremont-Dodge Municipal Inland Port Authority	18	\$27,321.00
Cambridge Telephone Company	Bartley North	32	\$1,125,000.00
Cox Nebraska Telcom, LLC	Douglas Washington Version 2	112	\$1,381,744.00
Cox Nebraska Telcom, LLC	Cass-Sarpy Version 3	145	\$1,004,336.00
Diller Telephone Company/Diode Cable Company	Plymouth Northeast	19	\$260,000.00
Diller Telephone Company/Diode Cable Company	Plymouth West	79	\$987,750.00
Glenwood Telecommunications, Inc.	Holdrege Airport Area	11	\$56,318.89
Glenwood Telecommunications, Inc.	Fillmore County 2	57	\$1,072,211.54
Glenwood Telecommunications, Inc.	Lewellen Rural	30	\$377,442.74
Glenwood Telecommunications, Inc.	Thayer County	54	\$1,376,220.37
Glenwood Telecommunications, Inc.	York County	53	\$639,723.72
Hartington Telecommunications Co., Inc. (dba Hartelco)	Project A1	46	\$925,413.00
Hartington Telecommunications Co., Inc. (dba Hartelco)	Project A2	48	\$1,286,975.00
Hartington Telecommunications Co., Inc. (dba Hartelco)	Project B	41	\$1,030,710.00
Hartington Telecommunications Co., Inc. (dba Hartelco)	Project E	479	\$3,949,781.00
Midstates Data Transport, LLC d/b/a Stealth Broadband	Boone County East Unserved	91	\$785,887.00
Pinpoint Communications, Inc.	Rural Cook to Talmage	55	\$1,165,500.00
Pinpoint Communications, Inc.	Rural Oxford-Edison	41	\$945,000.00
Pinpoint Communications, Inc.	Rural Beatrice2	23	\$535,500.00
Qwest Corporation d/b/a CenturyLink QC	Leshara	65	\$92,280.00
Spectrum Mid-America, LLC	Mead & Yutan	298	\$491,881.00
<b>Total</b>		<b>1,830</b>	<b>\$19,713,379.26</b>