

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	1,780,378		1,692,973	
FEDERAL FUNDS		1,780,378		1,692,973
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>1,780,378</b>	<b>1,780,378</b>	<b>1,692,973</b>	<b>1,692,973</b>

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

LB683 states the Legislature’s intent to ensure all funding for broadband (federal, state, and local) be leveraged strategically ensuring Nebraskans have access to affordable and reliable broadband by January 1, 2028. LB683 also establishes a new Nebraska Broadband Office, along with a new position the Director of Broadband. The Nebraska Broadband Office would administratively be under the Nebraska Department of Transportation, and be housed within. The Director of Broadband shall be appointed by the Governor and serve at the pleasure of the Governor. The Director of Broadband will be subject to Legislative confirmation. The Nebraska Broadband Office would collaboratively develop a strategic broadband plan to maximize public and private resources. This new office would also, provide policy direction on using state and federal funding for broadband infrastructure, operation and maintenance. The new office would be an advocate on broadband issues at the federal level including the accuracy of federal mapping and speed data. In addition, this office shall provide coordination, education, resources, and assistance to libraries, schools, and the public. LB683 amends the current law, to allow for the new Nebraska Broadband Office to take over the responsibility of developing and maintaining the Nebraska State Broadband Map from the Nebraska Public Service Commission.

Expenditures:

The Nebraska Public Service Commission (NPSC) has indicated they have already worked to identify a vendor for the development of the Nebraska State Broadband Map, and expects to have a signed contract by late January/early February. As such, if this contract is terminated early, there would likely be a prorated amount (based on the work performed and the timing of the contract termination) which would be charged by the vendor for early contract termination. As this amount is indeterminate at this time, it is not accounted for in the boxes above.

The Nebraska Department of Transportation (NDOT) is estimating if LB683 were to pass as written, the newly formed Nebraska Broadband Office would incur expenses for ten FTEs, plus all associated salary, benefits, and operating expenses (such as training, computers, phones, IT support, etc.) for the setup of these 10 new employees in FY2023-24. Then in FY2024-25, NDOT is projecting a 5% salary increase. The combined salary and benefits would be \$1,115,921 in the first year of the biennium, and \$ 1,137,973 in the second year. Additionally, NDOT is approximating the new Nebraska Broadband Office would have travel costs associated with statewide meetings and coordination of around \$14,457 in FY2023-24 and \$5,000 in FY2024-25. Next, there is an anticipated outlay related to the hiring of a consultant to aid in the drafting of a strategic five-year broadband action plan (which is a requirement of the Infrastructure Investment and Jobs Act), at a cost of \$300,000 in FY2023-24 and \$200,000 in FY2024-25. Finally, NDOT is presuming a contractor would be utilized to help create an official Nebraska location fabric broadband access map, at an estimated price of \$300,000 in both FY2023–24 and FY2024–25. This brings the total cash fund expenditures estimated by NDOT to be incurred by the new Nebraska Broadband Office to \$1,780,378 in FY2023–24 and \$1,692,973 in FY2024–25.

Revenues:

The Broadband Equity Access Deployment Program (BEAD) is a reimbursement program. Thus, the NDOT would seek full federal reimbursement of these initial expenses incurred from the National Telecommunications and Information Administration (NTIA) of \$1,780,378 in FY2023–24 and \$1,692,973 in FY2024–25.

There is no basis to disagree with the NDOT estimate, as it appears reasonable given the assumptions used.

There is no basis to disagree with the impact of contractual obligations to NPSC. However, we would also anticipate a reduction in federal funding from the BEAD program, along with a likely reduction in FTEs if LB683 were to pass. This reduction in federal funding and reduction in expenditures could offset NDOT’s projected increases in federal funding and expenditures. If the NPSC amends their fiscal note, we would revise our fiscal note to reflect any new information received.

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

**2023**

**LB<sup>(1)</sup> 683**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Jenessa Boynton Date Prepared: <sup>(4)</sup> 1/30/23 Phone: <sup>(5)</sup> 402-479-4691

**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>
<b>GENERAL FUNDS</b>	_____	_____	_____	_____
<b>CASH FUNDS</b>	<u>1,780,378</u>	_____	<u>1,692,973</u>	_____
<b>FEDERAL FUNDS</b>	_____	<u>1,780,378</u>	_____	<u>1,692,973</u>
<b>OTHER FUNDS</b>	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u><u>1,780,378</u></u>	<u><u>1,780,378</u></u>	<u><u>1,692,973</u></u>	<u><u>1,692,973</u></u>

**Explanation of Estimate:**

LB 683 states it is the intent of the Legislature to ensure that all federal, state, and local government funding for broadband infrastructure and services in Nebraska be leveraged strategically to ensure that all Nebraskans have access to affordable, reliable broadband services before January 1, 2028. To accomplish this intent, the Nebraska Broadband office is created. The office shall be headed by the Director of Broadband and appointed by and serve at the pleasure of the Governor with the approval of a majority of the Legislature. For administrative and budgetary purposes, the Nebraska Broadband Office shall be located in the Department of Transportation (NDOT). All administrative and budgetary decisions for the Nebraska Broadband Office shall be made by the Director of Broadband. The bill also provides the duties of the Nebraska Broadband Office some of which have been shifted from the Public Service Commission.

To administer and utilize all governmental funding for Nebraska broadband projects ten additional full-time employees (FTEs) will be required. In FY2024 – 25, the estimated salaries for the ten FTEs includes a five percent increase over the FY2023 -24 base salary. Operating expenses, such as computer, phone, IT site support, printing, postage, training, etc. will be incurred for the ten additional FTEs and is estimated at \$5,000/year per FTE. As needed, NDOT staff will assist the Nebraska Broadband office with administration and budgetary items.

Travel across the state of Nebraska will be required to meet the outreach and local coordination requirements of the Broadband Equity Access Deployment (BEAD) program. It is anticipated three employees located in Lincoln will hold meetings in twenty-two locations across the State two times during FY2023 – 24. Three of the meetings will require one overnight stay. Travel cost includes estimates for vehicle transportation, lodging, and meals. Ongoing coordination with applicants is expected to continue through the period of performance resulting in approximately \$5,000 in travel cost for FY2024 – 25.

To draft the strategic five-year broadband action plan as required by the Infrastructure Investment and Jobs Act, the department will work with a consultant. The estimated cost of the consultant is \$300,000 in FY2023-24 and \$200,000 in FY2024-25.

If LB 683 passes, the creation and maintenance of an official Nebraska location fabric broadband access map will transition from the Public Service Commission to the Nebraska Broadband Office. The access map would be created with the assistance of a contractor. The estimated cost of the contract is \$300,000 in FY2023 – 24 and \$300,000 in FY2024 – 25.

The BEAD program is a reimbursement program. All expenses will be incurred by NDOT initially with a request for reimbursement to follow from the National Telecommunications and Information Administration (NTIA).

**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>
Director of Broadband	1	1	125,000	131,250
Deputy Director	1	1	85,000	89,250
Auditor Senior	1	1	53,267	55,930
Program Manager	1	1	65,000	68,250
Outreach Coordinator	1	1	80,000	84,000
Legal Counsel	1	1	85,000	89,250
Federal Aid Administrator III	1	1	60,000	63,000
Technical Support	2	2	165,000	173,250
Administrative Specialist	1	1	50,000	52,500
Benefits.....			347,654	331,293
Operating.....			650,000	550,000
Travel.....			14,457	5,000
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>1,780,378</b>	<b>1,692,973</b>

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

**2023**

**LB<sup>(1)</sup> 683**

**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> 1/25/2023 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	_____	_____	_____	_____
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:**

LB 683 creates the Nebraska Broadband Office, to be housed in the Department of Transportation. Part of the responsibilities of that office would be to assume the task of developing and maintaining an official Nebraska location fabric broadband access map. The Nebraska Public Service Commission (Commission) has worked to identify a vendor for the development of this map and expects to have a signed contract in place in late January or early February. This contract would likely need to be terminated, and a prorated amount would need to be paid back by the vendor should the bill pass in its present form. The prorated amount would be determined based on the date of termination and the nature of the contractual work performed.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</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.

**2023**

**LB<sup>(1)</sup> 683**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Noah Finlan Date Prepared: <sup>(4)</sup> 2/1/2023 Phone: <sup>(5)</sup> 402-471-4385

**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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 683 would establish the Nebraska Broadband Office within the Nebraska Department of Transportation.

The Department of Administrative Services - Office of the Chief Information Officer (DAS-OCIO) has determined LB 683 has no fiscal impact to DAS-OCIO as any goods or services needed to carry out the prescribed duties of the legislation would be incurred by the Nebraska Department of Transportation.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____