

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS	See Below		See Below	
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB777 amends §79-1312, §79-1313, and §79-1316 to require the Nebraska Educational Telecommunications Commission (NETC) to develop and maintain a digital archive of the video coverage of the Nebraska Legislature.

The new digital archive will be accessible, indexed, and a digital Internet archive of the video coverage of the Nebraska Legislature, including all floor debate and public committee hearings, beginning with coverage of the 108th Legislature in January of 2023. All previous applicable historical video coverage of the Nebraska Legislature will be collected and added to the archive as available. NETC can determine and utilize the best formatting and file management methods for the archive.

The new archive will not be considered an official record of the proceedings and is intended solely for educational and informational purposes and to enhance access for the public in keeping with the Legislature's commitment to transparency in state government. Nothing in the Nebraska Educational Telecommunications Act will be construed to require NETC to post or distribute any work in a manner that would constitute a violation of federal copyright law.

EXPENDITURES

LB777 states that NETC should utilize funds available to them through the federal American Rescue Plan Act (ARPA) and it is assumed that General Funds would be utilized if ARPA funds are not available to use.

NETC does not believe that it is feasible for them to have the archive completed and ready until January of 2024 and would need to start with coverage of the 109th Legislature.

NETC will need to add an additional FTE to maintain and oversee the archive. For FY2022-23, the salary and benefits are \$120,000, with operating expenses of \$70,000. For FY2023-24, the salary and benefits increase by 2.5% to \$123,000, with operating expenses increasing by 2.86% to \$72,000.

NETC received three responses to their RFP & are using the highest of the three for this estimate. The estimate of expenses are \$550,000 to procure and implement for FY2022-23 and then the following costs to maintain the archive for the next five years through 2028:

- \$380,000 – FY2023-24
- \$485,000 – FY2024-25
- \$440,000 – FY2025-26
- \$560,000 – FY2026-27
- \$510,000 – FY2027-28

The Legislative Council estimates no fiscal impact but has concerns about future fiscal impact if the Executive Board of the Nebraska Legislature determines that the videos produced by NETC are owned by the Legislature. Ownership rights, storage, and closed-captioning could present significant fiscal issues.

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

LB: 777 AM: AGENCY/POLT. SUB: Nebraska Educational Telecommunications Commission

REVIEWED BY: Gary Bush DATE: 2/4/22 PHONE: (402) 471-4161

COMMENTS: The estimate provided by the agency appears to be high. The assumptions used by the agency for salary and benefits of a new staff position and the ongoing cost assumption of a 15% increase in year-on-year users appears to be high.
The maximum funding available under the federal Coronavirus State Fiscal Recovery Fund is \$1.04 billion, of which only \$520 million is currently available. Appropriation of these funds must be balanced in aggregate in order to avoid over obligation.

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

LB: 777 AM: AGENCY/POLT. SUB: Legislative Council

REVIEWED BY: Gary Bush DATE: 2/4/22 PHONE: (402) 471-4161

COMMENTS: Agree with the agency that bill, as written, places the fiscal impact on the NETC.
The maximum funding available under the federal Coronavirus State Fiscal Recovery Fund is \$1.04 billion, of which only \$520 million is currently available. Appropriation of these funds must be balanced in aggregate in order to avoid over obligation.

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2022

LB⁽¹⁾ 777

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Educational Telecommunications Commission

Prepared by: ⁽³⁾ Ling Ling Sun Date Prepared: ⁽⁴⁾ 2/3/2022 Phone: ⁽⁵⁾ 402-314-7441

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$550,000		\$380,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$550,000</u>		<u>\$380,000</u>	

Explanation of Estimate:

FY 2022-23 is for platform implementation.

FY 2023-24 is first year operating cost.

Estimated ongoing operating costs for next four consecutive years are \$485,000, \$440,000, \$560,000 and \$510,000. The estimates reflect the length of long and short legislative sessions. More details can be found in provided companion file LB777_Narrative and financial information spreadsheet.

Personnel cost is ongoing, 3% salary increase is included in the round number estimates.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Professional staff (TBD)	1	1	\$95,000	\$97,500
Benefits.....			\$25,000	\$25,500
Operating.....			\$70,000	\$72,000
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$95,000</u>	<u>\$97,500</u>

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2022

LB⁽¹⁾ 777

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 003 Legislative Council

Prepared by: ⁽³⁾ Diane Nickolite Date Prepared: ⁽⁴⁾ 2/4/2022 Phone: ⁽⁵⁾ (402) 471-2226

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</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:

As currently written, the Clerk of the Legislature's Office sees no fiscal impact of LB 777 to the Legislature. However, the fiscal impact is subject to significant fluctuation upon determination by the Executive Board of the Legislature that video produced by Nebraska Public Media is owned by the Legislature. Ownership rights may implicate several significant fiscal issues including, but not limited to, storage for the purposes of preservation and closed captioning obligations.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____