

PREPARED BY: Clinton Verner
 DATE PREPARED: January 28, 2022
 PHONE: 402-471-0056

LB 1074

Revision: 00

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				
CASH FUNDS	\$29,876,642	See below	\$20,123,358	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$29,876,642	See below	\$20,123,358	

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

LB1074 establishes the Surface Water Irrigation Fund within the Department of Natural Resources, creates a one-time transfer from the Cash Reserve Fund, and defines eligibility under the grants. As a result of the transfer, there will be a reduction of the Cash Reserve Fund's revenue of \$50,000,000 and a revenue gain of \$50,000,000 in the Surface Water Irrigation Fund.

Department of Natural Resources estimates one full-time grant administrator will be required to administer this program. We have no basis to disagree with the agency. The agency anticipates approximately \$29.75 million in aid will be distributed in the first year of the program and approximately \$20 million in aid in the second year of the program. We have no basis to disagree with the agency.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1074	AM:	AGENCY/POLT. SUB: Department of Natural Resources	
REVIEWED BY: Jacob Leaver	DATE: 1/28/2022	PHONE: (402) 471-4173	
COMMENTS: Concur with the Department of Natural Resource's estimated fiscal impact to the agency as a result of LB 1074.			

LB⁽¹⁾ 1074

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Natural Resources

Prepared by: ⁽³⁾ Ron Theis Date Prepared: ⁽⁴⁾ Jan. 19, 2021 Phone: ⁽⁵⁾ 402 471 0577

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	29,876,642	50,000,000	20,123,358	
FEDERAL FUNDS				
OTHER FUNDS		(50,000,000)		
TOTAL FUNDS	<u>29,876,642</u>	<u>0</u>	<u>20,123,358</u>	

Explanation of Estimate:

The bill creates the Surface Water Irrigation Infrastructure Fund and provides for a \$50M transfer from the Cash Reserve Fund. The Department is given the duty to establish procedures and criteria for awarding and administering grants to irrigation districts from the Fund. The bill is silent on funding sources of necessary administrative costs so the agency assumes appropriated Cash Reserve Fund resources may be used for its administrative costs. The negative \$50 million in “Other Funds” in FY2022-23 shown above is showing the transfer from the Cash Reserve Fund.

Agency administrative costs are set out below and the balance of expenditures for infrastructure costs made in grants is set out as Aid. The agency assumes grants at will be funded in each of the two fiscal years with the need for continued contract support activities extending beyond the review period. Fund resources may be used for repair or construction of any headgate, flume, diversion structure, check valve, or any other physical structure used for irrigation projects. Grants may not exceed five million dollars per applicant; grant applicant must provide matching funds equal to ten percent of the grant amount awarded.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2022-23	2023-24
	22-23	23-24	EXPENDITURES	EXPENDITURES
Grant Administrator	1	1	\$77,582	\$79,910
Benefits.....			\$34,126	\$35,150
Operating.....			\$6,500	\$6,630
Travel.....			\$5,150	\$5,305
Capital outlay.....				
Aid.....			\$29,753,284	\$19,996,363
Capital improvements.....				
TOTAL.....			\$29,876,642	\$20,123,358