

PREPARED BY: Eric Kasik
 DATE PREPARED: March 14, 2024
 PHONE: 4024710053

LB 1169

Revision: 01

Updated information acquired from Agencies

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

LB1169 changes the superintendent position within the Nebraska State Historical Society to a director position appointed by the Governor and approved by the Legislature. This position would report directly to the Governor. The bill outlines the duties of the director and removes the administrative duties of the board of trustees and puts them into an advisory role to the director.

The bill creates the Nebraska State Historical Society Collections Trust Fund.

The agency indicates after speaking with the OCIO annual technology costs would increase \$153,000. A large part of this increased cost is due to data storage costs. The agency has a contract with Google that costs about \$14,000 annually. The estimate is this will increase to \$98,000 annually with OCIO. OCIO will allow the agency to complete its contract with Google which will run until May, 2025. This is a monthly charge by OCIO. In FY2024-25 total technology costs will increase \$71,000 and in FY2025-26 costs will increase to \$153,000.

The agency anticipates a loss of contributions from private donations in the amount of \$1,000,000 and requests this be replaced with General Funds. The change in private contributions estimated by the agency appears to be high. However, there could be some change in contributions, and the exact amount is indeterminate.

The total fiscal impact is unknown.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	1169	AM:	AGENCY/POLT. SUB: Department of Administrative Services	
REVIEWED BY:	Gary Bush	DATE:	1/19/24	PHONE: (402) 471-4161
COMMENTS: Agree with the agency's estimate of no fiscal impact to the agency.				

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	1169	AM:	AGENCY/POLT. SUB: Nebraska State Historical Society	
REVIEWED BY:	Gary Bush	DATE:	1/31/24	PHONE: (402) 471-4161
COMMENTS: The agency's assumption that private donations would decline if the agency was to become a code agency is difficult to quantify. It appears that the agency is projecting a loss of private donor donations of about 50%. Additionally, the additional IT costs that the agency might experience is moving from a Google cloud storage system to the State of Nebraska cloud storage solution. The estimate of costs appears to be reasonable given the assumptions used.				

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

2024

LB⁽¹⁾ 1169

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS)

Prepared by: ⁽³⁾ Sarah Skinner Date Prepared: ⁽⁴⁾ 1/17/2024 Phone: ⁽⁵⁾ 402-419-4229

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	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 1169 makes changes to the Nebraska State Historical Society (Society), including appointment of the Director by the Governor, subject to legislative confirmation. The Society would be under the direction of the Director, and the Director would adopt rules and regulations to carry out the purpose of the Society. The Board of Trustees would serve in an advisory role to the Director in fulfillment of his/her duties assigned, with exception of creating classes of membership.

The Director must submit a biennial report to the Governor and would be required to annually report all gifts to the Governor and Legislature. The Director oversees gifts to the Society and may accept monetary gifts under \$10,000 and gifts that are not real property without the Governor’s approval. Gifts of monetary value of \$10,000 or more or gifts of real property would require the Governor’s approval. The Director of the Nebraska State Historical Society may not serve as a board member or in an advisory role for a charitable organization that provides money or other support to the Society.

There is no fiscal impact of LB 1169 to DAS.

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.....	_____	_____	_____	_____

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

2024

LB⁽¹⁾ 1169

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ History Nebraska (Nebraska State Historical Society)

Prepared by: ⁽³⁾ Michelle Furby Date Prepared: ⁽⁴⁾ January 19, 2023 Phone: ⁽⁵⁾ 402-471-3171

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	\$1,153,000		\$1,153,000	
CASH FUNDS	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>153,000</u>	<u>(\$1,000,000)</u>	<u>153,000</u>	<u>(\$1,000,000)</u>

Explanation of Estimate:

LB 1169 essentially makes the Nebraska State Historical Society a code agency.

If History Nebraska were to become a code agency, we anticipate that private donations would diminish. In order to fulfill agency mission and meet statutory obligations, private cash support would need to be replaced with General Funds. We plan on raising \$1,000,000 in contributions in the next fiscal year, which would need to be replaced with State funding.

History Nebraska maintains an enormous amount of electronic data, from databases, to scans of historic records, all of which is currently stored in a cloud and locally hosted space. One of the major changes with becoming a code agency would be all of History Nebraska's infrastructure, security, data, and servers moving under the direct authority of the OCIO. This is expected to increase our annual technology costs tremendously. From the cost estimates provided by the OCIO this transition could see cost increases exceeding \$153K. Additionally with this transition there is an unknown cost associated with changing existing processes, application use, and/or support to maintain standards.

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.....			\$153,000	\$153,000
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				