

Newly revised to reflect all adopted amendments.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$426,150		\$404,100	
CASH FUNDS	\$1,978,454		\$1,890,434	\$1,692,973
FEDERAL FUNDS	\$63,076	\$1,843,454		
OTHER FUNDS				
TOTAL FUNDS	\$2,467,680	\$1,843,454	\$2,294,534	\$1,692,973

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

LB683 AM1301 replaces the operative date of January 1, 2025 with the emergency clause date, for when the Public Service Commission shall begin ceasing grants being awarded to applicants who use or provide any communications equipment or service deemed to pose a threat to national security identified on the Covered List developed pursuant to 47 C.F.R. 1.50002, as such regulation existed on January 1, 2023, and published by the Public Safety and Homeland Security Bureau of the Federal Communications Commission pursuant to the federal Secure and Trusted Communications Networks Act of 2019, 47 U.S.C. 1601 et seq., as such act existed on January 1, 2023, and the rules adopted pursuant to such act by the Federal Communications Commission on November 11, 2022, in its Report and Order FCC 22-84. Since an emergency exists, this bill takes effect when passed.

LB683 includes these adopted amendments: AM1301 (amends Final reading copy), AM870 amended by: AM1096 (verbiage strike out only, no fiscal impact), AM1142 (amends Committee AM870 with provisions of LB63, LB122 as amended by the Committee, LB124, LB155, LB359, LB412 with AM868, and LB722 as amended by the Committee), and AM1181 (an amendment to AM1142). This bill contains an emergency clause. All adopted amendments to LB683 are discussed separately below.

LB683 AM1301 changes provisions related to duties of the Public Service Commission, which adjusts the operative date from January 1, 2025 to the emergency clause date, for ceasing grants being awarded to applicants who use or provide any communications equipment or service deemed to pose a threat to national security.

LB683 AM870 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 (NDOT), 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:

1. Collaboratively develop a strategic broadband plan to maximize public and private resources.
2. Provide policy direction on using state and federal funding for broadband infrastructure, operation and maintenance.
3. Advocate on broadband issues at the federal level including the accuracy of federal mapping and speed data.
4. Oversee coordination, education, resources, and assistance to libraries, schools, the public, and local/regional planning.

AM870 will also:

1. Amend 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 (PSC).
2. Modify the Highway Cash Fund allowable expenditures to provide the fund can be used to provide office space, furniture, office supplies, and administrative and budgetary for the Nebraska Broadband Office by NDOT.
3. Adds language to allow NDOT to provide office space, furniture, office supplies, and administrative and budgetary for the Nebraska Broadband Office.
4. Directs the Nebraska Broadband Office shall to whenever possible seek federal reimbursement for expenses.
5. Dictates NDOT may fund the operation/maintenance of broadband projects utilizing the Transportation Innovation Act and soliciting federal highway funds, when they are solely designed to meet the state's needs along the state highway system.
6. States NDOT is not authorized to own, operate, manage, construct, or maintain fiber optic, broadband or similar technology outside of state highway property.
7. Provides the Director of Broadband shall report on the status of broadband deployment to the Legislature yearly on Dec 1.
8. Specifies the Transportation and Telecommunications Committee shall conduct a public hearing after receipt of the report.
9. Permits the PSC shall administer through the Broadband Bridge Act any federal broadband enhancement funds that are designated by the Governor.

LB 683 AM870 as amended by AM1096 strikes “except as to cases the court considers of greater importance” from insertion into Statute 86-331 section 3.

LB683 AM870 as amended by AM1142 would:

1. Extend the expiration date of the County Bridge Match Program to June 30, 2029 without changing appropriated funds.
2. Create the Underground Excavation Safety Committee to meet monthly, consisting of 8 outside members, including two alternates appointed by the Governor. These will be volunteers whom will be paid for expense reimbursement.
3. The State Fire Marshal will be charged with investigating any complaints and violations of the underground excavation.
4. The Underground Excavation Safety Committee is also charged with issuing a finding of fact statement and conclusions of law for every complaint.
5. Appealing parties have the right to a hearing governed by the Administrative Procedures Act.
6. The State Fire Marshall agency must track the costs of investigations and submit a billing of the costs to be paid separately from the final decision. These civil penalties will be remitted to the State Treasurer.

LB683 AM1142 as amended by AM1181 requires the Public Service Commission to withhold support to any telecommunications company using or providing equipment or service which could pose a threat to national security.

Fiscal Impact of LB683

Expenditures:

The PSC (assuming the transition of the BEAD program grants to NDOT) would need to be reimbursed for previously incurred costs which have not yet been reimbursed from the BEAD funds. These include staff time, a contract for mapping, and other necessary operating expenses during the planning process thus far of the Broadband. The Commission has also begun the process of the extensive required outreach activities related to BEAD. In the current fiscal year, the BEAD reimbursement amount needed would be estimated at \$462,187 for FY2022-23.

The PSC has entered into a contract with Vetro, LLC, for the creation of an official Nebraska Location Fabric broadband access map. The first year of the contract in the amount of \$300,000 has been paid, but not yet reimbursed by federal BEAD planning funds. The Commission is also currently conducting the outreach required for the state of Nebraska to perform under the BEAD program and working on the required Five-Year Action Plan that is due in August of 2023. The cost estimates for this ongoing work are dependent upon when the transition of BEAD requirements and grant administration may transfer to the new Broadband Office. BEAD is a federal program that is structured on a reimbursement-only basis, meaning that recipients are required to cover the costs and then request federal reimbursement. The Commission has worked with the State Budget office and the State Accounting office to set up the necessary accounting structure for recovering these expenses, first utilizing the Broadband Bridge fund and then processing the federal reimbursement request, all under Program 793. This fiscal note includes all actual expenses incurred by PSC as of 4/7/2023 which have not yet been federally reimbursed, as well as estimates for the ongoing outreach requirements and work on the Five-Year Action Plan through August of 2023.

PSC's to Date Costs related to LB683 AM870 are:

Federal costs for LB683, AM870			
	<u>FY2022-23</u>	<u>FY2023-24</u>	<u>FY2024-25</u>
Total PSL	\$ 89,887	\$ 29,362	\$ -
Total Benefits	\$ 25,559	\$ 9,845	\$ -
Total Operating	\$ 316,923	\$ 5,478	\$ -
Total Travel	\$ 29,818	\$ 18,391	\$ -
Totals by FY	\$ 462,187	\$ 63,076	\$ -

PSC's expenditures associated with LB683 AM1181 and AM1142 would be one additional FTE attorney for the legal work related to compliance tracking and due process hearings for providers as related to prohibited equipment in AM1181 and legal analysis related to compliance with the Rural Communications Sustainability Act, transferring of ETC and COLR obligations, drafting of necessary orders and the promulgation of rules and regulations as related to AM1142. Plus, a second additional FTE administrative assistant for the administrative tasks related to the large number of carriers requiring contact and tracking for certifications of prohibited equipment use in AM1181, as well as the administrative support necessary to complete requirements of AM1142. Costs related to LB683 AM1181 and AM1142 are all cash funded program costs under the Nebraska Universal Service Fund, program 686.

PSC's to Date Costs related to LB683 AM1181 and AM1142 are:

Cash fund costs for LB683, AM1181 and AM1142 Sections 11-17			
	<u>FY2022-23</u>	<u>FY2023-24</u>	<u>FY2024-25</u>
Total PSL	\$ -	\$ 112,600	\$ 117,104
Total Benefits	\$ -	\$ 64,613	\$ 67,197
Total Operating	\$ -	\$ 20,863	\$ 13,160
Total Travel	\$ -	\$ -	\$ -
Totals by FY	\$ -	\$ 198,076	\$ 197,461

NDOT is estimating 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 the new employees. The associated PSL would be \$768,267 in the first year of the biennium, and \$806,680 in the second year. Additionally, there will be operating and travel costs 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. Also required will be a transition of the creation and maintenance of an official Nebraska location fabric broadband access map 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 combined expenses in FY2023-24 would cost \$1,780,378 and \$1,692,973 in FY2024-25.

The State Fire Marshal may begin investigating any violations found, as well as an investigation of all complaints filed with the Agency. This will be a new process so there is no way to specifically determine the number of complaints that will be received; an estimate of 200 was used -- based on the number of pending complaints at the Attorney General plus the number currently filled each year. One new inspection Deputy FTE is needed to handle this increased workload. The cost for this position (wages, benefits, operating and training) will be \$159,017. One new accountant position will also be added to manage the additional workload of all of the new billing requirements for the investigations. The cost for this position (wages, benefits, and operating) will be \$75,000.

The Committee will consist of 8 outside members, including two alternates appointed by the Governor. The members are volunteers but are eligible for expense reimbursement. The committee is required to meet monthly and as needed to process the results of the appeals. It is unknown where the committee members will meet or where they will live. Mileage reimbursement was figured at \$9,432 (\$0.655 per mile at 200 miles times six persons for 12 meetings). Based on an estimated case load of 200 complaints it was determined that 16 would be reviewed each month; giving approximately two hours for each case the committee will meet for 2 days at a time and then one additional day a month for the results of the appeals hearings so meals and lodging for the committee members was calculated at \$21,547.

The committee will need one FTE para-legal for issuing findings for every complaint, sending notices to all parties, setting hearing schedules, providing administrative support to the committee, organizing evidence/exhibits, etc. at an estimated cost of \$95,282 which includes salary, benefits, operating, expense reimbursement, and training.

It is estimated that one fourth (25) of the total complaints will be appealed, which will require the agency to contract with a hearing officer to conduct such hearings. Each hearing was given 2.5 hours and then 2.5 hours for the hearing officer to compile the findings, issue his/her own finding of facts, and issue the advisory opinion to the Committee. The costs for the time of the hearing officer are estimated at \$28,125 (25 X 5 X \$225 per hour), plus mileage and expense reimbursement figured at \$4,750. There must also be a stenographer contract for these appeals with a court reporting service for time, expenses, and mileage for the reporter at an expense of \$15,375. The total hearing cost would be \$48,250. The costs of these hearings must be paid upfront to acquire the services. Additionally, the Agency is charged with tracking the costs of investigations and then submitting a billing of the costs to be paid separately from the final decision. Once payment is received it can be transferred and credited to the account from which they were expended. The Agency will also incur operating costs for the additional responsibilities of the Committee Process totaling about \$30,123.

Revenues:

We would assume the **PSC**, having worked with both the DAS Budget and DAS Accounting offices, setting up the necessary structure for recovery of their expenses related to broadband, would be receiving a federal reimbursement in an amount equal to their expenses.

NDOT is anticipating the Broadband Equity Access Deployment Program (BEAD) will cover these initial expenses incurred with a full federal reimbursement of \$1,780,378 in FY2023-24 and \$1,692,973 in FY2024-25.

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2023

LB⁽¹⁾ 683 AM870, AM1096, AM1142, AM1181, AM1301

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Fire Marshal

Prepared by: ⁽³⁾ Regina Shields/Deb Hostetler

Date Prepared: ⁽⁴⁾ 03/30/23

Phone: ⁽⁵⁾ 402-471-9477

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	<u>426,150</u>	<u>0</u>	<u>404,100</u>	<u>0</u>
CASH FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FUNDS	<u><u>426,150</u></u>	<u><u>0</u></u>	<u><u>404,100</u></u>	<u><u>0</u></u>

Explanation of Estimate:

LB 683 AM 1301 would not alter the previous fiscal notes that were submitted when LB 122, which created the Underground Excavation Safety Committee, was amended in LB 683. The following information is still accurate.

The State Fire Marshal Agency may begin investigating any violations found, as well as an investigation of all complaints filed with the Agency. This will be a new process so there is no way to specifically determine the number of complaints that will be received; an estimate of 200 was used -- based on the number of pending complaints at the Attorney General plus the number currently filled each year. One new inspection Deputy FTE is needed to handle this increased workload. The cost for this position (wages, benefits, operating and training) will be \$159,017. One new accountant position will also be added to manage the additional workload of all of the new billing requirements for the investigations. The cost for this position (wages, benefits, and operating) will be \$75,000.

The Committee will consist of 8 outside members, including two alternates appointed by the Governor. The members are volunteers but are eligible for expense reimbursement. The committee is required to meet monthly and as needed to process the results of the appeals. It is unknown where the committee members will meet or where they will live. Mileage reimbursement was figured at \$9,432 (\$0.655 per mile at 200 miles times six persons for 12 meetings). Based on an estimated case load of 200 complaints it was determined that 16 would be reviewed each month; giving approximately two hours for each case the committee will meet for 2 days at a time and then one additional day a month for the results of the appeals hearings so meals and lodging for the committee members was calculated at \$21,547.

The committee is also charged with issuing a finding of fact statement and conclusions of law for every complaint. There is no administrative help designated for the committee in the bill, so it was assumed this was to be done by SFM personnel. This position will also need to: send notices to all parties; set the hearing dates and times by coordinating all the schedules of the participants; provide administrative support to the committee including generating copies of the investigation reports, organizing an evidence or exhibits, writing up the finding of facts summary and conclusions of law for each complaint; and coordinating special meetings after an administrative hearing and compose the final order based on the final determinations by the Committee. A para-legal position FTE will be added and the cost for this includes salary, benefits, operating, expense reimbursement, and training for a total of \$95,282.

In the event a party wishes to appeal a decision by the committee the parties have a right to a hearing governed by the Administrative Procedures Act. This will require the Agency to contract with a hearing officer to conduct such hearings. It is unknown how many appeals may be sought so it was estimated that one fourth

(25) of the total complaints will be appealed. Each hearing was given 2.5 hours and then 2.5 hours for the hearing officer to compile the findings, issue his/her own finding of facts, and issue the advisory opinion to the Committee. The costs for the time of the hearing officer is \$28,125 (25 X 5 X \$225 per hour). He/she will also be eligible for mileage and expense reimbursement which was figured at \$4,750. There must also be a stenograph record of these appeals made so the Agency will be contracting with a court reporting service for this function. The costs for this include the time, expenses, and mileage for the reporter at a figure of \$15,375 for a total hearing cost of \$48,250. The costs of these hearings can be included by the Committee in the final order, but it is not required; also, these costs must be paid upfront to acquire the services. Additionally, the Agency is charged with tracking the costs of investigations and then submitting a billing of the costs to be paid separately from the final decision. Once payment is received the moneys will have to be transferred and credited to the account from which they were expended.

The Agency will also incur operating costs for the additional responsibilities of the Committee Process. These include items such as: paper; ink; envelopes; regular mail costs for notification of certain parties and certified mail costs for other notifications; publication of a hearing notice for the required new regulations; rental of meetings rooms, purchase of a recording device, the development of new forms to be used in the investigation process; and the electronic storing of all records and proceedings until the conclusion of the issue and/or the document retention policy expiration period. The total for these costs was determined to be \$30,123.

Projections for Fiscal year 24-25 include updates to salary and benefits for FTE positions and a five percent increase in Operating costs, excluding travel. The possible change in travel cost is unknown.

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>
Fire Marshal Deputy	1	1	51,700	55,577
Paralegal I	1	1	47,184	50,712
Accountant I	1	1	34,525	37,100
Benefits.....			102,228	107,710
Operating.....			118,888	81,360
Travel.....			71,625	71,641
Capital outlay.....			0	0
Aid.....			0	0
Capital improvements.....			0	0
TOTAL.....			426,150	404,100

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

2023

LB⁽¹⁾ 683 AM870, AM1096, AM1142, AM1181, AM1301

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Public Service Commission

Prepared by: ⁽³⁾ Laurie Casados Date Prepared: ⁽⁴⁾ 4/25/2023 Phone: ⁽⁵⁾ 402-471-0252

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

Explanation of Estimate:

	<u>FY2022-2023</u>		<u>FY2023-2024</u>		<u>FY2024-2025</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds						
Cash Funds	0		198,076		197,461	
Federal Funds	462,187		63,076		0	
Other Funds						
Total Funds	462,187		261,152		197,461	

LB 683 AM870 creates the Nebraska Broadband Office, to be housed in the Department of Transportation. The bill lists the responsibilities of this newly created office as:

- 1) Collaborate with officials at all levels of government and stakeholders across the state.
- 2) Develop a strategic plan that maximizes the use of public and provide resources.
- 3) Direct coordination among state agencies, boards and commissions on policy matters affecting use of federal or state funding for broadband infrastructure deployment, operation, and maintenance.
- 4) Conduct state advocacy on broadband issues at the federal level, including the accuracy of federal mapping and speed data.
- 5) Ensure that all governmental funding is utilized in a cost effective and accountable manner for Nebraska broadband projects.
- 6) Oversee the coordination of programs for broadband users, such as libraries and schools, and digital equity and inclusion projects.
- 7) Provide resources and assistance for local and regional broadband planning.
- 8) Provide resources and information to the public through a website and other communication modes.
- 9) Creating and maintaining an official Nebraska Location Fabric broadband access map.

In July of 2022, the Public Service Commission (Commission) was designated as the entity to administer the federal grants to be awarded through the Broadband, Equity, Access and Deployment (BEAD) program, established by the Infrastructure Investment and Jobs Act (IIJA). The Commission received notice of the federal award for BEAD planning funds in November of 2022, allowing the Commission to move forward with necessary planning activities for administration of the BEAD program. The Commission has incurred costs related to staff time, a contract for mapping, and other necessary operating expenses during the planning process thus far. The Commission has also begun the process of the extensive required outreach activities related to BEAD.

While the amended bill does not explicitly state that the administration of the BEAD program grants will be the duty of the newly created Broadband Office, the intent of LB683 as expressed during the Committee hearing indicated that the administration of these grants would also be moved to this newly created office. Assuming the transition of the BEAD program grants is intended, the Commission would need to be reimbursed for costs it incurred from the BEAD planning funds in fulfilling the duties and requirements related to BEAD prior to the transition of the administration of BEAD funding to the Broadband Office.

The Commission has entered into a contract with Vetro, LLC, for the creation of an official Nebraska Location Fabric broadband access map. The first year of the contract in the amount of \$300,000 has been paid, but not yet reimbursed by federal BEAD planning funds.

The Commission is also currently conducting the outreach required for the state of Nebraska to perform under the BEAD program and working on the required Five-Year Action Plan that is due in August of 2023. The cost estimates for this ongoing work are dependent upon when the transition of BEAD requirements and grant administration may transfer to the new Broadband Office.

BEAD is a federal program that is structured on a reimbursement-only basis, meaning that recipients are required to cover the costs and then request federal reimbursement. The Commission has worked with the State Budget office and the State Accounting office to set up the necessary accounting structure for recovering these expenses, first utilizing the Broadband Bridge fund and then processing the federal reimbursement request, all under Program 793.

This fiscal note includes all actual expenses incurred as of the date of this fiscal note that have not yet been federally reimbursed, as well as estimates for the ongoing outreach requirements and work on the Five-Year Action Plan through August of 2023.

Costs related to LB683 AM870 are all federal program costs under program 793.

Federal costs for LB683, AM870			
	<u>FY2022-23</u>	<u>FY2023-24</u>	<u>FY2024-25</u>
Total PSL	\$ 89,887	\$ 29,362	\$ -
Total Benefits	\$ 25,559	\$ 9,845	\$ -
Total Operating	\$ 316,923	\$ 5,478	\$ -
Total Travel	\$ 29,818	\$ 18,391	\$ -
Totals by FY	\$ 462,187	\$ 63,076	\$ -

LB683 AM1181 creates a requirement for defined communication providers to certify to the Commission by January 1 of each year that they do not use or provide any communication equipment or service deemed to pose a threat to national security identified on the covered list developed pursuant to 47 C.F.R. 1.50002. The Commission is then required to withhold support distributed from the Nebraska Universal Service Fund (NUSF) for any provider that is using or providing any such communications equipment. This amendment would require administrative and legal work in order for the Commission to ensure all certifications are received annually from all communication providers in Nebraska regarding their use of prohibited equipment, and to hold an annual due process hearing for providers whose NUSF support may be withheld due to the use of prohibited equipment and/or failure to submit a certification.

LB683 AM1142 sections 11-17 creates the Rural Communications Sustainability Act which requires any state agency or political subdivisions that have the authority to award, direct, or redirect public funds under a broadband deployment program to collaborate with the Commission and Nebraska Broadband Office to ensure compliance with the Act. This amendment requires the Commission to develop a process whereby an incumbent provider could be relieved of its eligible telecommunications carrier (ETC) and carrier of last resort (COLR) obligations in project areas awarded to another carrier. The Commission must also develop a process whereby NUSF support is reallocated to the awarded carrier in a manner consistent with its rules of procedure. Depending on the number of individual grants issued by the Broadband Office or other agencies or political subdivisions, this may create substantial additional work requirements for Commission staff, as each grant and resulting NUSF disbursement changes will need to be reviewed and processed individually.

To fulfill the work requirements of LB683 AM1181 and AM1142 sections 11-17 the Commission would require one additional attorney for the legal work related to compliance tracking and due process hearings for providers as related to prohibited equipment in AM1181 and legal analysis related to compliance with the Rural Communications Sustainability Act, transferring of ETC and COLR obligations, drafting of necessary orders and the promulgation of rules and regulations as related to AM1142 sections 11-17. The Commission would also require an additional administrative assistant for the administrative tasks related to the large number of carriers requiring contact and tracking for certifications of prohibited equipment use in AM1181 as well as the administrative support necessary to complete requirements of AM1142 sections 11-17.

Costs related to LB683 AM1181 and AM1142 sections 11-17 are all cash funded program costs under the Nebraska Universal Service Fund, program 686.

Cash fund costs for LB683, AM1181 and AM1142 Sections 11-17			
	<u>FY2022-23</u>	<u>FY2023-24</u>	<u>FY2024-25</u>
Total PSL	\$ -	\$ 112,600	\$ 117,104
Total Benefits	\$ -	\$ 64,613	\$ 67,197
Total Operating	\$ -	\$ 20,863	\$ 13,160
Total Travel	\$ -	\$ -	\$ -
Totals by FY	\$ -	\$ 198,076	\$ 197,461

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSTIONS		<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
	<u>2023-24</u>	<u>2024-25</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>
Department Director			11,156	3,027	0
Assistant Department Director			4,922	2,044	0
Deputy Executive Director			1,233	470	0
Budget Manager			2,354	435	0
Auditor			1,491	470	0
Senior Attorney			1,371	0	0
Attorney			28,462	8,333	0
Human Resource Officer			12,981	3,750	0
Outreach Coordinator			25,917	10,833	0
Attorney (NUSF)	1	1	0	67,600	70,304
Administrative Assistant – (NUSF)	1	1	0	45,000	46,800
Benefits.....			25,559	74,458	67,197
Operating.....			316,923	26,341	13,160
Travel.....			29,818	18,391	0
Capital outlay.....			0	0	0
Aid.....			0	0	0
Capital improvements			0	0	0
TOTAL			462,187	261,152	197,461

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2023

LB⁽¹⁾ 683 AM1096, AM1142, AM1181, AM1301

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Transportation

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 4/25/23 Phone: ⁽⁵⁾ 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>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>1,780,378</u>	_____	<u>1,692,973</u>	_____
FEDERAL FUNDS	_____	<u>1,780,378</u>	_____	<u>1,692,973</u>
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<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 AM870 as amended by AM1096 strikes “except as to cases the court considers of greater importance” from insertion into Statute 86-331 section 3.

LB683 AM870 as amended by AM1142 applies to the Nebraska Department of Transportation (NDOT) by extending the expiration date of the county bridge match to June 30, 2029 with no change to the previously appropriated funds.

LB683 AM1142 as amended by AM1181 would require the Public Service Commission to withhold support to any telecommunications company using or providing equipment or service which could pose a threat to national security.

LB 683 AM 870 as adopted continues 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 which is the intent of the Legislature. To accomplish this intent, the Nebraska Broadband office is created and the duties of the office are defined. 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. All administrative and budgetary decisions for the Nebraska Broadband Office shall be made by the Director of Broadband. The bill allows NDOT to use state highway funds from the Highway Cash Fund and Roads Operations Cash Fund for projects related to fiber optic, broadband, or other similar technology infrastructure on state highway property solely to meet the state’s present and future transportation technology needs along the state highway system. The department is further authorized to enter into public-private partnerships, or to use other alternative project delivery methods set out in the Transportation Innovation Act. The amendment authorizes NDOT to work with the Nebraska Broadband Office for such projects and seek or solicit the use of eligible federal highway funds to pay some or all of the state’s costs for such projects. Through the amendment, NDOT is not authorized to own, operate, manage, construct, or maintain fiber optic, broadband, or other similar technology outside of the state highway property.

To administer and utilize all governmental funding for Nebraska broadband projects up to 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.

In addition, the passing of LB 683 would require a transition of the creation and maintenance of an official Nebraska location fabric broadband access map 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:

POSITION TITLE	NUMBER OF POSITIONS		2023-24	2024-25
	23-24	24-25	EXPENDITURES	EXPENDITURES
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.....				
TOTAL.....			1,780,378	1,692,973