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DATE PREPARED: November 16, 2011
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LB 4

Revision: 01

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to reflect amendments adopted on General File

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	2,000,000			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	2,000,000			

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 4 as amended would authorize the Department of Environmental Quality (DEQ) to collaborate with the federal government to carry out a supplemental environmental impact statement for oil pipeline projects within, through or across the state. An oil pipeline would be defined as a pipeline larger than eight inches in inside diameter constructed for the purpose of transporting petroleum, petroleum components, products or wastes, including crude oil. In-field and gathering lines would be exempted from the definition.

DEQ would be allowed to contract with outside vendors in the preparation of the environmental review. Upon completion of the supplemental environmental review, the document would be submitted to the Governor. Upon receipt of the document, the Governor would have thirty days to indicate in writing to the federal government the approval or disapproval of the pipeline route.

DEQ estimates that total costs involving the environmental review and public outreach efforts would total \$2,000,000. All costs would come from the General Fund. DEQ would expend \$400,000 and use existing staff to implement outreach efforts, which would include holding public hearings, maintaining documents and providing a mechanism for interested members of the public to review documents. The remaining \$1,600,000 would be used for consulting costs. The estimate is based upon the assumption of 200 hours of work per week at a cost \$200 per hour for a duration of 39 weeks, resulting in \$1,560,000 in expenses. The remaining \$40,000 in contractual costs would be related to document management services and the development of a system that would allow for the electronic access of information.

It is estimated that costs will occur in both FY11-12 and FY12-13. Unexpended funds existing at the end of FY11-12 would be automatically reappropriated into FY12-13 and would be available for expenditure by DEQ.

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1st Special Session

2011

LB⁽¹⁾ 4 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Environmental Quality

Prepared by: ⁽³⁾ Tom Lamberson Date Prepared: ⁽⁴⁾ 11/15/11 Phone: ⁽⁵⁾ 402-471-4235

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2011-12</u>		<u>FY 2012-13</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	2,000,000			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	2,000,000			

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

See attached narrative.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2011-2012 EXPENDITURES</u>	<u>2012-2013 EXPENDITURES</u>
	<u>11-12</u>	<u>12-13</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

For purposes of this fiscal note the department made the following assumptions:

There will be one pipeline in FY2012 and FY2013 that will require this analysis.

The process will take approximately 9 months and be completed by October 1, 2012.

Availability of documents will be electronic and that local libraries have the capacity to provide electronic review of documents. Document review will also be available from personal computers.

A significant amount of time and resources will be spent managing documents and making them publicly available.

The department will conduct or participate in a significant number of public meetings. The exact number of meetings needed is unknown at this time, because the route has not been determined.

Costs for outreach, records management and other miscellaneous activities will total approximately \$100,000.

The department will utilize a total of approximately 2 fte of existing staff. Their staff costs are presently funded from other sources. While working on this project those staff costs will be funded by General Funds. Staff costs will be approximately \$300,000.

Applicant will propose a route or potential routes and provide adequate information to evaluate in a timely manner.

Funding will be provided in FY12 and any unused funds will be carried over to FY13.

The department will secure a contractor to assist with department responsibilities.

Contractual costs will be about \$1,600,000. Contractual costs were determined by assuming time required of 200 hours per week at \$200 per hour for 39 weeks. Additional contractual costs include temporary services for Records Management and contractual services to allow electronic access of information.

Total costs to the department for one project will be approximately \$2,000,000.

This fiscal notes covers only department costs to complete the requirements of LB 4 as amended by AM 37. No costs of any company submitting an application or required information to the department are included.