

PREPARED BY: Scott Danigole
 DATE PREPARED: January 7, 2000
 PHONE: 471-0055

LB 731

Revision: 02

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Updated for 2000 Session. Includes any amendments adopted to date.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2000-2001		FY 2001-2002	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	2,228,500		1,190,860	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	4,014,500		355,000	
TOTAL FUNDS	6,243,000		1,545,860	

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

LB 731 is the Rural Technology Development Act.

Section 4 requires the Chief Information Officer (CIO) to appoint a Rural Technology Services Coordinator to coordinate the computer needs and acquisitions of all Class 1 counties and political subdivisions. Under Section 4, Class 1 counties and political subdivisions shall have uniform computer technology including Year 2000 compliant operating systems, hardware, e-mail, Internet access, word processing, spreadsheets, and audio visual conferencing capabilities. The CIO estimates the cost to hire and equip this individual at \$75,000 in fiscal year 2000-2001 and \$71,860 in fiscal year 2001-2002. This estimate appears to be reasonable.

Section 6 requires all computer hardware and software be purchased through the state purchasing procedures through the Department of Administrative Services (DAS). DAS – Information Management Services (IMS) would require Revolving Fund authority of \$2,625,000 in fiscal year 2000-2001 to acquire the hardware and software purchases as outlined in section 7. The Revolving Fund authority at IMS assumes 5 PCs per location at \$2,000 per PC and 1 server per location at \$5,000 per server. In some instances, 5 PCs per location is excessive. However, an average of 5 PCs per location may be reasonable. This remains to be seen.

Section 7 requires Class 1 counties and political subdivisions to pay for the cost of computer hardware and software purchased under this act. IMS is responsible for all costs associated with networking and infrastructure. Class 1 counties and political subdivisions may use three-year financing offered through DAS – Accounting for such purchases.

DAS estimates the cost to install, maintain and operate the system outlined in the bill at be \$2,153,500 in fiscal year 2000-2001 and \$1,119,000 in fiscal year 2001-2002. This estimate assumes that a robust network will be utilized connecting 177 political subdivisions in 21 counties. LB 731 does not specify whether counties and political subdivisions will share in the cost of maintaining this infrastructure. DAS has assumed that the State will pay this cost from General Funds.

In addition to this General Fund cost, DAS – Communications would require increased Revolving Fund authority of \$1,389,500 in fiscal year 2000-2001 and \$355,000 in fiscal year 2001-2002.

Section 4 (4) requires that, “all Class I counties and political subdivisions have uniform computer technology, including hardware with a consistent, year 2000 compliant operating system, electronic mail, Internet access, word processing, spreadsheet applications, and audio and video conferencing capabilities” by January 1, 2000. For purposes of this fiscal note, it is assumed that this operative date will be changed to January 1, 2001.