

PREPARED BY: Scott Danigole  
 DATE PREPARED: February 25, 2022  
 PHONE: 471-0055

**LB 1121**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$786,960		\$758,740	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$786,960</b>		<b>\$758,740</b>	

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

LB 1121 requires the Secretary of State to inspect all vote counting devices used in the state prior to each primary, general, and special election to ensure that the devices have no technology inside that could allow the device to be directly connected by Wi-Fi, hardware or any unsecured outside source that could be hacked, and to also ensure that such devices are in proper working condition. No third-party contractor may be used to perform inspections.

The Secretary of State estimates the cost to inspect all vote counting machines prior to each election to be \$786,960 for the first year of the bill's enactment. Once one-time costs are removed, future year costs are estimated at \$758,740. The majority of these costs are incurred due to personnel costs. The Secretary of State estimates the need for 6.0 FTE to perform the inspections in all 93 counties in a timely manner. Since LB 1121 specifies that such inspectors be employed by the Secretary of State, contractors shall not be utilized. There is no basis to disagree with the Secretary of State's estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>				
LB:	1121	AM:	AGENCY/POLT. SUB: Secretary of State	
REVIEWED BY:	Ann Linneman	DATE:	1-26-2022	PHONE: (402) 471-4180
COMMENTS: No basis to disagree with the Secretary of State's assessment of no fiscal impact.				

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

**2022**

**LB<sup>(1)</sup> 1121**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Secretary of State

Prepared by: <sup>(3)</sup> Joan Arnold Date Prepared: <sup>(4)</sup> 2-18-2022 Phone: <sup>(5)</sup> 402-471-2384

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$786,960		\$758,740	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$786,960</b>		<b>\$758,740</b>	

**Explanation of Estimate:**

LB1121 requires the Secretary of State to inspect all vote counting devices prior to each election and seal the device after inspection. The bill also requires the Secretary of State to employ the personnel needed to carry out these duties. It is expected that we would need to employ six additional information technology (IT) cybersecurity and infrastructure professionals to inspect the 160 vote tabulators in all 93 counties in a timely manner prior to each election, as well as to accompany our vendor during any service performed on the equipment. The table below summarizes the costs we anticipate related to these six new IT staff, including the equipment, space, supplies, technology, and training costs needed. We also anticipate travel costs will be incurred as these staff will travel around the state prior to each election. To the extent that any inspection performed by staff would void the warranty on the vote tabulation equipment, then significant additional costs could be incurred that cannot be identified at this time but would likely be substantial.

	<b>FY23</b>	<b>FY24</b>	
Seals	\$40	\$40	Ongoing
6 FTE's - IT Infrastructure Support Analyst/Sr (\$72,000)	\$432,000	\$445,000	Ongoing
Benefits & Taxes (35%)	\$151,200	\$155,750	Ongoing
Office Space (based on available space in existing building)	\$128,000	\$128,000	Ongoing
Equipment/Supplies:			
Modular Workstations (historically \$5,000)	\$30,000	\$ -	One-Time
Laptops/Monitors (historically \$2,600)	\$15,600	\$ -	One-Time
Misc. Furniture (Shelves/Chairs)	\$6,000	\$ -	One-Time
Office Supplies	\$3,000	\$3,000	Ongoing
OCIO Expenses	\$5,400	\$5,670	Ongoing
Cellphones	\$3,120	\$3,280	Ongoing
Training	\$3,000	\$3,000	Ongoing
Travel Costs:			
Lodging	\$1,600	\$2,900	Ongoing
Meals	\$500	\$900	Ongoing
Mileage	\$7,500	\$13,600	Ongoing
	<b>\$786,960</b>	<b>\$758,740</b>	

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
V07073 IT Infrastructure Support Analyst/Senior	6.0	6.0	\$432,000	\$445,000
Benefits.....			\$151,200	\$155,750
Operating.....			\$194,160	\$140,590
Travel.....			\$9,600	\$17,400
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$786,960	\$758,740