

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	See below		See below	
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB506 provides intent to appropriate:

- \$200,000,000 of ARPA to the Department of Natural Resources shall award the grant to a city of the primary class. Eligible expenses for the funding from this grant shall include, but not be limited to, costs for a water treatment plant, water treatment, transmission, and distribution in furtherance of additional water, land acquisition, permitting, a wellfield, pumping, and transportation of water over twenty-five miles for the purpose of providing potable water to the municipality; and
- \$20,000,000 of ARPA to the Department of Environment and Energy to provide grants for small and rural communities to install reverse osmosis systems in community water systems where drinking water test levels are above ten parts per million of nitrate and, if appropriate, provide grant funds for use to install reverse osmosis systems if test levels for nitrate in drinking water pumped from private wells are above ten parts per million.

During the 2022 session, the total ARPA State Coronavirus Fiscal Recovery Funds appropriated, or with intent language to be appropriated in the upcoming biennium, was \$1,037,454,413 out of the total \$1,040,000,000 allocated to the State of Nebraska.

There is likely only one eligible grantee regarding the DNR ARPA funds, we concur with the agency on the unknown timing of grants being used to reimburse eligible expenses.

The estimates provided for additional administrative burden by NDEE appear reasonable. However, ARPA guidelines provide for the use of funds for administrative costs, and as such, General Funds may not be required.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 506	AM:	AGENCY/POLT. SUB: Department of Environment and Energy	
REVIEWED BY: Jacob Leaver	DATE: 1/23/2023	PHONE: (402) 471-4173	
COMMENTS: Concur with the Department of Environment and Energy’s estimated fiscal impact to the agency as a result of LB 506. <u>Technical Note</u> : The current appropriation language is not sufficient to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804. The maximum funding available under the federal Coronavirus State Fiscal Recovery Fund is \$1.04 billion. Appropriation of these funds must be balanced in aggregate in order to avoid over obligation.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 506                      AM:                      AGENCY/POLT. SUB: Department of Natural Resources

REVIEWED BY:    Jacob Leaver                      DATE:    1/24/2023                      PHONE: (402) 471-4173

COMMENTS: Concur with the Department of Natural Resources' estimated fiscal impact to the agency as a result of LB 506.

Technical Note: The current appropriation language is not sufficient to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804. The maximum funding available under the federal Coronavirus State Fiscal Recovery Fund is \$1.04 billion. Appropriation of these funds must be balanced in aggregate in order to avoid over obligation.

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**2023**

**LB<sup>(1)</sup> 506**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Environment and Energy

Prepared by: <sup>(3)</sup> Kevin Stoner Date Prepared: <sup>(4)</sup> 1/23/2023 Phone: <sup>(5)</sup> 402-471-2186

**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>183,568</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
CASH FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
FEDERAL FUNDS	<u>20,000,000</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
OTHER FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL FUNDS</b>	<b><u>20,183,568</u></b>	<b><u>                    </u></b>	<b><u>                    </u></b>	<b><u>                    </u></b>

**Explanation of Estimate:**

LB506 appropriates \$20,000,000 Federal Funds from the American Rescue Plan Act (ARPA) of 2021 to the Department of Environment and Energy (NDEE) in state fiscal year 2023-24 to provide grants to small and rural communities to install reverse osmosis systems in community water systems and private wells where drinking water test levels are above 10 parts per million.

Based on the proposed legislative bill, NDEE anticipates it would need an additional 2 FTEs to administer/implement this program. This assumption is based on NDEE directing \$12 million to public water systems and \$8 million to private well owners.

NDEE requests to receive administrative fees from general funds to implement/administer this program. As stated in LB 1014 of the 107<sup>th</sup> Legislature, NDEE cannot utilize funding set aside from the ARPA allocation for administrative expenses that is held with the Military Department.

**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>
Environmental Specialist II	<u>2</u>	<u>                    </u>	<u>100,442</u>	<u>                    </u>
Benefits.....	<u>                    </u>	<u>                    </u>	<u>33,146</u>	<u>                    </u>
Operating.....	<u>                    </u>	<u>                    </u>	<u>47,972</u>	<u>                    </u>
Travel.....	<u>                    </u>	<u>                    </u>	<u>2,008</u>	<u>                    </u>
Capital outlay.....	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Aid.....	<u>                    </u>	<u>                    </u>	<u>20,000,000</u>	<u>                    </u>
Capital improvements.....	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL.....</b>	<u>                    </u>	<u>                    </u>	<b><u>20,183,568</u></b>	<u>                    </u>

State Agency OR Political Subdivision Name: <sup>(2)</sup> Dept. of Natural Resources

Prepared by: <sup>(3)</sup> Ron Theis Date Prepared: <sup>(4)</sup> 1/18/23 Phone: <sup>(5)</sup> 402 471 0577

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	_____	_____	_____	_____
FEDERAL FUNDS	200,000,000	_____	0	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>200,000,000</u>	_____	<u>0</u>	_____

Explanation of Estimate:

The bill requires increase of department’s budget and spending authority by \$200,000,000. The bill expresses the intent that \$200,000,000 of federal SLFRF/ARPA funds be appropriated to the department and requires its dispersal through a grant to an eligible entity by Sept. 30, 2023. Expenditures for FY24-25 are shown as zero for convenience but assuming grant dispersal is on a cost-reimbursement basis, expenditures of undetermined grant portions may continue until Dec. 31, 2026, ARPA’s deadline for all expenditures.

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	200,000,000	0
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	200,000,000	0