

**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	See below		See below	
CASH FUNDS				
FEDERAL FUNDS				
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.**

LB1015 would create the Perkins County Canal Project Act. LB1015 declares that a canal and associated storage facilities known as the Perkins County Canal Project shall be developed, constructed, managed, and operated under the authority of the State of Nebraska consistent with the South Platte River Compact and pursuant to the Perkins County Canal Project Act.

LB1015 grants the authority to develop, construct, manage, and operate the Perkins County Canal Project to the Department of Natural Resources and enumerates powers to DNR under the Perkins County Canal Project.

As LB1015 vests all authority to the Department of Natural Resources, we have no basis to disagree with the Department’s expenditures for this biennium.

The Governor’s budget recommendation includes \$400,000,000 in Cash Reserve funds and \$100,000,000 in ARPA funds for the Perkins County Canal project. It is likely that costs for the completion of the project will exceed this amount.

LB1015 makes no reference to funding source, the Department of Natural Resources recommends using ARPA funds for this biennium. However, little is known of the project parameters – as such eligibility for use of ARPA is indeterminable by our office.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1015	AM:	AGENCY/POLT. SUB: Department of Natural Resources	
REVIEWED BY: Jacob Leaver	DATE: 2/7/2022	PHONE: (402) 471-4173	
COMMENTS: Concur with the Department of Natural Resources’ estimated fiscal impact to the agency as a result of LB 1015.			

LB<sup>(1)</sup> 1015

FISCAL NOTE

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> Jan. 20, 2022 Phone: <sup>(5)</sup> 402 471 0577

**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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	50,000,000	_____	50,000,000	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>50,000,000</u>	_____	<u>50,000,000</u>	_____

**Explanation of Estimate:**

The bill establishes multiple specific authorities of the Department pursuant to development, land acquisition, construction, and operation of the Perkins County Canal Project.

Initial appropriations and transfers totaling \$500 million were included in the Governor’s Mid-Biennium Budget Adjustments. LB1013 creates the Perkins County Canal Project Fund and transfers \$400,000,000 to the Department from the Cash Reserve Fund for these purposes. An appropriation of \$100,000,000 ARPA federal funds within the biennium will be split equally over the two years. ARPA funding has a time limit and will be expended first and consistent with eligible uses. ARPA funds will be expended on a priority of Project development because of their time limitation.

Agency fiscal impacts in the review years are expenditures for personnel costs, contracted engineering, design services, permitting, land acquisition, and other activities associated with the project. Engineering staff will manage and oversee design and permitting activities during early phases of the project and transition into roles that support the construction and future operations of the project. An additional position will provide support in contract management, real estate acquisitions, and other various project support functions.

Additional expenditures will support design and permitting activities for consultant services. The Department projects construction would begin in FY 2025. All remaining federal and state funds will support land acquisition, construction and operations activities for the project.

**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>
Professional Engineer II	1	1	\$91,992	\$94,752
Professional Engineer III	1	1	\$111,280	\$114,618
Contract and Real Estate Acquisition Specialist	1	1	\$76,226	\$78,513
Benefits.....			\$96,378	\$99,269
Operating.....			\$49,599,124	\$49,587,098
Travel.....			\$25,000	\$25,750
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			50,000,000	50,000,000

