

Updated to reflect AM2004

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$720,527		\$953,468	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$720,527		\$953,468	

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

AM2004 updates LB809 by combining LB803, LB809, LB924, and LB978.

LB803 amends 37-455 in the following ways:

- Adds “any grandchildren or stepgrandchild of such person or the spouse of such person, any spouse of such grandchild or stepgrandchild” to the definition of immediate family member of a qualifying landowner or leaseholder
- Changes the max of \$5 limited permits that can be issued to a qualifying landowner from 4 to 12.
- Requires no more than 8 of the \$5 limited permits can be issued to persons who are under 19 years of age and no more than 4 permits issued to persons 19 years of age or older.

The NGPC has provided a fiscal note which details estimated minimal revenue impacts. Because the of the difficulty in projecting the number of extended family members who may qualify under the expanded definition, coupled with the various other eligibility requirements (land quantity, age group restrictions, etc.) that need to be met in order to receive a \$5 limited permit, the fiscal impact is indeterminate.

LB809 would grant the Nebraska Department of Environment and Energy authority to provide grants for loan forgiveness under CWSRF/DWSRF programs, to issue grants and loan forgiveness of eligible projects up to 75% of project costs, and expand grants for eligible projects from 50% to 75% of cost.

CWSRF/DWSRF is a federally-funded program with administration by the Nebraska Department of Environment and Energy. No fiscal impact.

LB924 expands the eligibility of grants under the Waste Reduction and Recycling Incentive Fund to include cities of the first class. Total aid amounts distributed would not change. No fiscal impact.

LB978 would give NDEE many of the powers associated with the Army Corps of Engineers 404 Program, which oversees dredging and fill of waters. As LB978 creates the Dredge and Fill Cash Fund for the purpose of collecting fees to offset the cost of administering the program. NDEE estimates that \$1,658,995 in General Funds are needed to begin the program and that approximately \$2.5 million in fees will need to be collected to offset program costs. We have no basis to disagree. As such we reflect a General Fund expenditure of \$720,527 in FY22-23 and a General Fund expenditure of \$953,468 in FY23-24 with an assumption that the program will be a self-sustaining cash-funded program beginning in FY24-25.

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2022

LB⁽¹⁾ 809 AM2004

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Environment and Energy

Prepared by: ⁽³⁾ Kevin Stoner Date Prepared: ⁽⁴⁾ March 10, 2022 Phone: ⁽⁵⁾ 402 471-4214

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	<u>\$720,527</u>		<u>\$953,468</u>	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$720,527</u>		<u>\$953,468</u>	

Explanation of Estimate:

This is a revised fiscal note. LB809 AM2004 combined LB924, LB978, and LB803 (as amended by AM1912) with LB 809.

Amendments to Section 37-455 has no fiscal impact on NDEE.

Amendments to Section 81-15,160 may increase the number of grants to process, but it is anticipated NDEE's current staffing would be able to process additional applications.

Amendments to Sections 71-5318 to 71-5322 is anticipated to have no fiscal impact at this time. The funds that will be used for any new additional financing will be from current Drinking Water State Revolving Funds.

Amendments to Sections 81-1501 to 81-1532 to administer the federal dredge and fill permit program (404) will have the below fiscal impact.

LB 302 in July of 2019 granted the DEE the authority to investigate assumption of the Federal 404 Dredge and Fill program currently operated by the Corps of Engineers for Waters of the United States. The DEE has completed the evaluation of State assumption of the Federal 404 Program and this evaluation is being used to support this document. Sustainable funding is a requirement of a CWA Section 404 program application to EPA. The current funding for the federal 404 program does not transfer to DEE to take over the administration of the 404 program. Dredge and fill permit fees sufficient to cover the direct and indirect cost to administer the assumed 404 program is necessary. DEE has estimated the total direct and indirect cost to administer the assumed 404 program when fully operational at \$2,585,157 annually.

DEE will initially require six FTE in FY22-23 to start developing the assumed program application and will gradually increase staffing and capacity to eleven FTE starting in July 2023 to complete the program application process and start training through June 2024. In July 2024 DEE will bring on the rest of the program staff to support the technical, managerial, and administrative needs of the program. DEE has determined a total of 31 (30.7) FTE are needed to administer the 871 permit actions per year for the state assumed 404 program. Of the 31 FTE required, we currently have 3 FTE therefore 28 would need to be added to DEE. The majority of staff needed will be Permit Writers which account for about eighteen FTE. The assumed 404 program will operate with approximately one Supervisor, six Inspectors, three Engineers and three Wetland Biologists.

DEE will require additional office equipment such as computers, phones, desks, and chairs for each new staff member. A total of 4 automobiles will be required for inspections and compliance work. Additional technology is required as an electronic permitting software program will need to be developed.

A total of \$1,673,995 is needed from general funds over the next 2 fiscal years to develop the state 404 program.

FY 2022-2023 12 months of 6 FTE (\$720,527)

FY 2023-2024 12 months of 11 FTE (\$953,468)

A total of \$2,585,157 per year is needed from cash funds via permit fees collected from 404 program applicants when fully operational.

FY 2024-2025 Program is assumed and running at full capacity with 31 FTE

Department FTE Model	Direct Cost	Benefits	Indirect rate	Direct+Indirect	Total FTE Cost	Adminstration Cost
	Provided	33% of Direct	37% of Direct	D+I	D+B+I Costs	(((D+I) * 4) / 3
		0.33	0.37			
Average FTE w/ Management	\$ 56,160.00	\$ 18,532.80	\$ 20,779.20	\$ 76,939.20	\$ 95,472.00	\$ 102,585.60
Average FTE w/o Management	\$ 45,760.00	\$ 15,100.80	\$ 16,931.20	\$ 62,691.20	\$ 77,792.00	\$ 83,588.27
Program Calculations	# Managers	# Staff		Direct+Indirect	Total TFE Cost	Adminstration Cost
Assumed 404 Program	1	29.7		\$ 1,938,867.84	\$ 2,405,894.40	\$ 2,585,157.12

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2022-23 EXPENDITURES	2023-24 EXPENDITURES
	22-23	23-24		
Section Supervisor	1	1	\$56,160	\$56,160
Environmental Specialist II	5	10	\$228,800	\$457,600
Benefits.....			\$94,037	\$169,541
Operating.....			\$131,435	\$235,091
Travel.....			\$10,095	\$20,076
Capital outlay.....				\$15,000
Aid.....				
Capital improvements.....			\$200,000	
TOTAL.....			\$720,527	\$953,468