

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$1,972,069		\$2,053,604	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,972,069		\$2,053,604	

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

LB453 would allow the Nebraska Department of Transportation to pay for administrative expenses of the Division of Aeronautics of the Department of Transportation, such as salaries and benefits, from the Highway Cash Fund. This would be determined by and at the sole discretion of the Director-State Engineer, to be in the best interest of transportation in Nebraska. The bill also changes the required county contribution for bridge replacements from furnishing up to 50% down to furnishing up to 20%. In addition, LB453 would increase the estimated cost for which a contract must go through a sealed-bid process from \$150,000 to \$250,000, and allow NDOT to annually adjust (on October 1st) this amount. The adjustment would be based on the percentage change in the Consumer Price Index for All Urban Consumers published by the United States Department of Labor, Bureau of Labor Statistics, at the close of the twelve-month period ending on August 31 of such year, rounded to the next highest thousand-dollar amount.

The Nebraska Department of Transportation has indicated LB453 would cause an increase in expenditures of \$1,972,069 in FY2023-24 and \$2,053,604 in FY2024-25. Their Aeronautics Division would experience a zero net change in expenditures, as they would instead use the money they would have paid on salary and benefits, for operating expenses. While, the funding of \$1,972,069 in FY2023-24 and \$2,053,604 in FY2024-25 they would receive from the Highway Cash Fund appropriation would pay for the salary and benefits of their employees.

The proposed reduction in the required county contribution for bridge replacements and the increased threshold for formal bid requirements are both policy updates. These would have no fiscal impact.

NDOT's estimations of expenditures appears reasonable. It is worth noting, that the increased expenditure from the Highway Cash Fund appropriation, could possibly cause an upward adjustment to the variable portion of the motor fuel tax.

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

2023

LB⁽¹⁾ 453

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Transportation

Prepared by: ⁽³⁾ Liza Alderman Date Prepared: ⁽⁴⁾ 2/21/23 Phone: ⁽⁵⁾ 402-479-4692

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	\$1,972,069	_____	\$2,053,604	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$1,972,069</u>	_____	<u>\$2,053,604</u>	_____

Explanation of Estimate:

LB 453 states the Department of Transportation may budget for and pay any of the costs related to the administration of the division, including but not limited to, employee salaries and benefits, out of the Highway Cash Fund, as the Director-State Engineer determines, in his or her sole discretion, to be in the best interest of transportation in Nebraska. The bill also would amend the pledge amount for a county when applying for state aid in the replacement of any bridge from fifty percent of the bridge replacement cost to up to twenty percent of the cost of replacement of such bridge.

In addition, the bill proposes to update the threshold for the requirement of a formal sealed bid process with estimated costs greater than two hundred fifty thousand from one hundred thousand. The bill also states the Department of Transportation may adjust the threshold amounts annually on October 1 by the percentage change in the Consumer Price Index for All Urban Consumers published by the United States Department of Labor, Bureau of Labor Statistics, at the close of the twelve-month period ending on August 31 of such year.

If this bill passes, the Department of Transportation, Roads Division, would have an increase in expenditures of \$1,972,069 in FY2023/24 and \$2,053,604 in FY2024/25. For the Department of Transportation, Aeronautics Division, a zero net change in expenditures will occur with local airports receiving additional funding of \$1,972,069 in FY2023/24 and \$2,053,604 in FY2024/25. The proposed reduction in pledge amount for a county and the increased threshold for formal bid requirements are policy updates therefore would have no fiscal impact for NDOT.

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>
19 Aeronautics Employees	_____	_____	\$1,509,005	\$1,572,306
Benefits.....	_____	_____	\$463,064	\$481,298
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>\$1,972,069</u>	<u>\$2,053,604</u>