

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	\$712,500	\$712,500	\$950,000	\$950,000
FEDERAL FUNDS				
OTHER FUNDS	\$33,075	\$33,075	\$44,100	\$44,100
TOTAL FUNDS	\$745,575	\$745,575	\$994,100	\$994,100

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

LB 646 changes the amount of 911 surcharge that each wireless carrier shall collect per month on all active telephone numbers from up to seventy cents to one dollar. For counties containing a city of the metropolitan class, the current surcharge is capped at up to fifty cents and is also increasing to an amount of up to one dollar.

The Public Service Commission (PSC) estimates the increased surcharge range will result in additional Cash Fund revenue of \$950,000 per year. This estimate is based on the assumption that the statewide surcharge will remain at seventy cents. The revenue increase reflects the bill's removal of the fifty-cent cap for Douglas County, thus bringing the Douglas County surcharge up to the seventy-cent statewide rate. The funds collected are to be utilized to aid in 911 services across the state and corresponding expenditure increases are also identified.

There is no basis to disagree with the PSC's estimates, however, LB 646, if enacted, will not be operative until approximately September of 2023. For this reason, the PSC estimates for fiscal year 2023-24 are reduced to reflect partial year impact.

The Department of Administrative Services estimates increased Revolving Fund expenditures to be \$44,100 per year due to the surcharge increases. This is based on the assumption of the surcharge being set to one dollar statewide. The DAS estimate factors a thirty cent per month increase per line, but does not take into account the additional increase for any Douglas County lines. If the surcharge does increase to one dollar, the estimate provided will be less than what is realized.

While the PSC states its intent to utilize a seventy cent per month surcharge, DAS is correct in assuming the maximum allowable surcharge. In the event that the surcharge exceeds seventy cents, DAS will need the additional authority to meet that financial impact. For purposes of this fiscal note, the DAS estimates are included in the table above as a means to capture the costs associated with any Douglas County related increases that DAS will realize. As was done for the PSC estimates, the fiscal year 2023-24 estimates from DAS are reduced to reflect partial year impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	646	AM:	AGENCY/POLT. SUB: Public Service Commission	
REVIEWED BY:	Lee Will	DATE:	2/6/2023	PHONE: (402) 471-4175
COMMENTS: The Public Service Commission's assessment of fiscal impact seems reasonable given the assumptions provided.				

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	646	AM:	AGENCY/POLT. SUB: Department of Administrative Services	
REVIEWED BY:	Lee Will	DATE:	2/9/2023	PHONE: (402) 471-4175
COMMENTS: The Department of Administrative Services' assessment of fiscal impact seems reasonable given the assumptions provided.				

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

2023

LB⁽¹⁾ 646

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Public Service Commission

Prepared by: ⁽³⁾ Laurie Casados Date Prepared: ⁽⁴⁾ 1/27/2023 Phone: ⁽⁵⁾ 402-471-0252

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	950,000	950,000	950,000	950,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>950,000</u>	<u>950,000</u>	<u>950,000</u>	<u>950,000</u>

Explanation of Estimate:

Under current law, the maximum monthly wireless 911 surcharge rate for all active wireless telephone numbers in Nebraska is capped at \$.70 per month everywhere but Douglas County, where the maximum monthly rate is \$.50 per month. LB 646 would equalize the wireless 911 surcharge rate for residents of all Nebraska counties and also increase the maximum monthly rate to \$1.00.

The wireless 911 surcharge is determined annually by the Public Service Commission after conducting a public hearing. The surcharge is collected by wireless carriers and remitted to the Commission for deposit in the 911 Service System Fund. Monies in the Fund must be used solely to aid in providing 911 services across the state. With respect to the amount of money to be deposited in the 911 Service System Fund each year, LB 646 includes new language stating that the Commission “maximize operational support for all public safety answering points in the state.”

Currently, the wireless 911 surcharge is set at the statutorily maximum of \$0.50 per active line per month in Douglas County and \$0.70 per active line per month for all other counties in Nebraska. Increasing the statutory limit to \$1.00 per line per month statewide would not result in a fiscal impact to the 911 Service System Fund, unless and until the Commission determines that an increase in the surcharge is necessary.

If the monthly wireless 911 surcharge rate were to be set at \$.70 statewide, removing the cap in Douglas County, the revenue generated for the 911 Service System Fund (assuming no change in the subscriber count) would increase by approximately \$950,000 per year. The impact of the language regarding “maximum operational support” for PSAPs is unclear, but the Commission would utilize the additional funds towards operational costs of the 911 Service System.

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.....	<u> </u>	<u> </u>
Aid.....	<u> 950,000 </u>	<u> 950,000 </u>
Capital improvements.....	<u> </u>	<u> </u>
TOTAL.....	<u> 950,000 </u>	<u> 950,000 </u>

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

2023

LB⁽¹⁾ 646

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services – Office of the Chief Information Officer (DAS-OCIO) – Communications Division

Prepared by: ⁽³⁾ Noah Finlan Date Prepared: ⁽⁴⁾ 2/3/2023 Phone: ⁽⁵⁾ 402-471-4385

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	_____	_____	_____	_____
REVOLVING FUNDS	\$44,100	\$44,100	\$44,100	\$44,100
TOTAL FUNDS	<u>\$44,100</u>	<u>\$44,100</u>	<u>\$44,100</u>	<u>\$44,100</u>

Explanation of Estimate:

LB646 proposes to increase the allowable monthly surcharge collected by a wireless carrier on all active telephone numbers or functional equivalents for users of wireless service from \$.70 to \$1.00.

The Department of Administrative Services – Office of the Chief Information Officer (DAS-OCIO) currently supplies monthly wireless phone services to roughly 12,250 end user customers and is billed directly from various service providers at a current surcharge of \$0.70 per line. An increase of \$0.30 per line would result in increased surcharge costs of an additional \$44,100 per year (12,250 users x \$0.30 x 12 months = \$44,100).

The DAS-OCIO – Communications Division is a revolving fund program and is funded by billing agencies, boards, and commissions for services provided. This increase in expenditures would require additional revolving fund appropriation for the program.

This increase in the monthly surcharge would be passed on the agencies, etc., increasing their need for possible appropriation and funding increases.

The table below summarizes the estimated impact of any increase in the surcharge by fund type. The allocation by fund type is based on a four-year (2019-2022) average of the fund types used for the payment of DAS-OCIO billed expenditures.

Fund Type	FY23-24 Estimated Increased Expenditures	FY24-25 Estimated Increased Expenditures
General Fund	\$16,698	\$16,698
Cash Fund	\$9,975	\$9,975
Federal Fund	\$13,921	\$13,921
Revolving Fund	\$3,506	\$3,506
Total	\$44,100	\$44,100

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2023-24	2024-25
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			\$44,100	\$44,100
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$44,100	\$44,100