

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2018-19</b>		<b>FY 2019-20</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	See below		See below	
CASH FUNDS	See below		See below	
FEDERAL FUNDS				
OTHER FUNDS	See below		See below	
TOTAL FUNDS	See below		See below	

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

LB720 would require all state agencies, including all state constitutional offices, state administrative departments, and state boards and commissions, the University of Nebraska, and the Nebraska State Colleges, to comply with local building and construction codes enacted, administered, or enforced pursuant to section 71-6406 to the extent such codes meet or exceed the standards of the state building code.

Specificity of state agency estimates with respect to the fiscal impact of LB720 vary significantly:

In general terms, the **Department of Transportation, Game and Parks Commission, and Nebraska State College System** indicate that additional capital project costs associated with local building and construction code compliance under provisions of LB720 would vary by the nature, scope and extent of capital projects as well as the location of projects to be undertaken.

The **Department of Labor** indicates it is in the process of completing a study of various building repairs necessary for two buildings the agency occupies on 16<sup>th</sup> Street to the east of the Capitol. Preliminary associated project costs are estimated at \$6,313,356. The agency estimates the impact of LB720 local building and construction code compliance may represent an increase in total estimated project costs of 3% or \$189,401 (cash funds). To the extent the agency's estimate of local building and construction code compliance costs under provisions of LB720 is accurate, the bill would represent increased costs (Cash Funds) to be incurred by the agency to complete currently planned facility repairs or the agency will need to reduce the scope of repairs planned to be completed in order to maintain the level of the current project cost estimate.

Utilizing University of Nebraska-Lincoln average annual capital project expenditures approximating \$75 million over the past three years as a basis, the **University of Nebraska** identifies a system-wide estimate of increased annual capital project costs associated with provisions of LB720. The University estimates LB720 fiscal impacts to include an estimated increase of \$150,000 in professional fees to be incurred annually for capital project design relating to local building and construction code compliance. Additionally, the University estimates LB720 to result in an increase of \$550,000 to be incurred annually for local building and construction permit / inspection fees relating to University capital projects. In addition, the University estimates an additional employee would be required to dedicate to workload associated with local building and construction code compliance across locations of University facilities. Of the total annual increase in capital project-related costs estimated to be associated with provisions of LB720, the University identifies approximately 2/3 of the increase to be General Fund supported and approximately 1/3 Cash Fund supported. To the extent the University's estimate of local building and construction code compliance costs under provisions of LB720 is accurate; average annual capital project costs incurred may increase, the proportion of total capital project costs relating to building and construction code compliance may increase, or some combination thereof may be the case.

The **Department of Administrative Services (DAS)** addresses LB720 fiscal implications with respect to (1) the Task Force for Building Renewal, (2) the State Capitol heating, ventilating, and air conditioning (HVAC) systems replacement project for which amounts are appropriated and reappropriated for the 2017-19 biennium and for which the Legislature has committed to future appropriations through FY2022-23, and (3) six capital projects with which the State Building Division is currently engaged.

- (1) Costs for building renewal projects for which the Task Force for Building Renewal allocates amounts from the (a) State Building Renewal Allocation Fund and (b) State Building Renewal Assessment Fund (both cash funds) are estimated to increase 3% as the result of local building and construction code compliance to be required under LB720. This translates to annual increases of \$361,000 for 2018-19 and \$372,720 for 2019-20 as compared to a building renewal project construction contract base level of \$12,044,000 noted in the DAS fiscal note. Amounts annually accruing to the State Building Renewal Allocation Fund from a statutory earmark of state cigarette tax receipts are effectively fixed at a static dollar level. Amounts accruing to the Building

Renewal Assessment Fund result from depreciation charges included as a component of occupancy charges assessed to state agencies which occupy facilities operated / administered by State Building Division. The likelihood of increases in the rate of these depreciation charges appears relatively low under current fiscal conditions. As such, annual amounts available for allocation by the Task Force for Building Renewal are estimated to be relatively static. To the extent the agency's estimate of local building and construction code compliance costs under provisions of LB720 is accurate, these increased costs will diminish the extent of building renewal projects that can be accomplished with relatively static levels of Task Force for Building Renewal funding resources.

- (2) To the extent the agency's estimate of local building and construction code compliance costs under provisions of LB720 is accurate, estimated costs for the Capitol HVAC systems replacement project would increase. The DAS fiscal note reflects an Office of the Capitol Commission estimate of the related increase at 3% of \$90,000,000 or \$2,700,000 over the term of the project. All elements of the project scope and funding would need to be reviewed for potential reallocations to accommodate local building and construction code compliance costs under provisions of LB720. To the extent potential reallocations were estimated to be insufficient to meet estimated code compliance costs, additional funding for the Capitol HVAC systems replacement may need to be considered for future funding periods. Appropriations and future funding commitments for the HVAC project include amounts from the General Fund as well as the Nebraska Capital Construction Fund.
- (3) Under provisions of LB720, State Building Division estimates costs for six projects in which it is currently engaged would increase 3% or \$67,260 (revolving fund) beyond the \$2,242,000 current estimated cost of the projects. To the extent the agency's estimate of local building and construction code compliance costs under provisions of LB720 is accurate, all elements of the projects' scope and funding would need to be reviewed for potential reallocations/adjustments to accommodate the costs if LB720 is enacted.

<a href="#">ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</a>		
LB: 720	AM:	AGENCY/POLT. SUB: Nebraska Department of Labor
REVIEWED BY: Neil Sullivan	DATE: 2/9/2018	PHONE: <a href="tel:4024714179">(402) 471-4179</a>
COMMENTS: No basis to disagree with the Nebraska Department of Labor assessment of fiscal impact from LB 720.		

<a href="#">ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</a>		
LB: 720	AM:	AGENCY/POLT. SUB: Department of Health and Human Services
REVIEWED BY: Neil Sullivan	DATE: 2/8/2018	PHONE: <a href="tel:4024714179">(402) 471-4179</a>
COMMENTS: No basis to disagree with the Department of Health and Human Services estimate of no fiscal impact from LB720.		

<a href="#">ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</a>		
LB: 720	AM:	AGENCY/POLT. SUB: Nebraska Game and Parks Commission
REVIEWED BY: Neil Sullivan	DATE: 1/18/2018	PHONE: <a href="tel:4024714179">(402) 471-4179</a>
COMMENTS: Agree there will be a fiscal impact to Nebraska Game and Parks Commission from LB 720.		

<a href="#">ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</a>		
LB: 720	AM:	AGENCY/POLT. SUB: Department of Administrative Services
REVIEWED BY: Neil Sullivan	DATE: 1/18/2018	PHONE: <a href="tel:4024714179">(402) 471-4179</a>
COMMENTS: No basis to disagree with the Department of Administrative Services estimate of fiscal impact from LB 720. Concur that there will be an enterprise impact.		

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

LB: 720 AM: AGENCY/POLT. SUB: Nebraska Department of Transportation

REVIEWED BY: Neil Sullivan DATE: 1/18/2018 PHONE: [\(402\) 471-4179](tel:4024714179)

COMMENTS: Agree there will be a fiscal impact to Nebraska Department of Transportation from LB 720 resulting from compliance and fees related to local building and construction codes.

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

LB: 720 AM: AGENCY/POLT. SUB: University of Nebraska

REVIEWED BY: Neil Sullivan DATE: 1/18/2018 PHONE: [\(402\) 471-4179](tel:4024714179)

COMMENTS: Agree there will be a fiscal impact to University of Nebraska from LB 720 resulting from compliance and fees related to local building and construction codes.

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

LB: 720 AM: AGENCY/POLT. SUB: Nebraska State College System

REVIEWED BY: Neil Sullivan DATE: 1/16/2018 PHONE: [\(402\) 471-4179](tel:4024714179)

COMMENTS: No basis to disagree with the Nebraska State College System's estimate of indeterminate fiscal impact from LB 720.

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

LB: 720 AM: AGENCY/POLT. SUB: State Fire Marshal

REVIEWED BY: Ann Linneman DATE: 1-5-18 PHONE: [\(402\) 471-4180](tel:4024714180)

COMMENTS: Concur with the State Fire Marshal's estimate of no fiscal impact.

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Michalski

Date Prepared: 1-4-158

Phone: (5) 471-5046

	<u>FY 2018-2019</u>		<u>FY 2019-2020</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$0	\$0	\$0	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

**Explanation of Estimate:**

There is no fiscal impact at this time to the Department of Health and Human Services (DHHS).

DHHS does not own State Buildings, therefore fiscal impact would be dependent on any changes in cost mandated by the Department of Administrative Services (DAS) State Building Division. If DAS requires state buildings occupied by DHHS to be modified or renovated as a result of this bill and those costs are assessed to DHHS as an occupying agent, DHHS would require additional appropriated funds to match new increased costs.

**MAJOR OBJECTS OF EXPENDITURE**

<u>PERSONAL SERVICES:</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-2019</u>	<u>2019-2020</u>
	<u>POSITION TITLE</u>	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$0</b>	<b>\$0</b>

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

2018

LB<sup>(1)</sup> 720

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Administrative Services (DAS) Task Force for Building Renewal (TFBR), State Building Division (SBD) and the Office of the Capitol Commission (OCC)

Prepared by: <sup>(3)</sup> Doug Hanson Date Prepared: <sup>(4)</sup> 01/05/2018 Phone: <sup>(5)</sup> 402-471-3511  
Bob Ripley 402-471-0419  
Byron Brogan 402-471-8351

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			\$2,700,000	
CASH FUNDS	\$361,000		\$372,720	
FEDERAL FUNDS				
OTHER FUNDS	\$67,260		\$67,260	
TOTAL FUNDS	\$428,260		\$3,139,980	

Explanation of Estimate:

LB 720 will require all state agencies, boards, and commissions, including State Colleges and the University, to comply with local building and construction codes when they meet or exceed the standards of the state building code

Passage of LB 720 would have a fiscal impact on the Task Force for Building Renewal (TFBR), State Building Division (SBD) and the Office of the Capitol Commission (OCC) as the result of higher construction and project costs. There would be additional costs at the design level to determine the impact of local building and construction codes. It isn't possible at this time to determine those additional costs. Project costs would be increased for costs associated with permit fees, inspections, and other regulatory expenses imposed by local governments. Construction costs could also increase due to local code requirements – the use of a brick façade, landscaping requirements, etc.

Local government permit fees are typically assessed on a base fee amount plus a factored dollar value of the construction project. For example, building permit fees for a \$1,000,000 construction project could add \$1,150 to the project (e.g., \$100 base fee plus \$1.050 per \$1000 of construction cost). In addition to building permit fees, each construction project would require plan reviews and building code inspections by local building officials. Local building officials typically inspect foundations, framing, plumbing, HVAC, electrical, decks, fencing, and sidewalks, as well as complete final inspections prior to occupancy. Fees for each type of inspection are assessed by the local government, which would add to the cost of each project.

Building permit and inspection fees imposed by local governments vary widely throughout the state. Some municipalities impose very high building permit and inspection fees while some do not impose any. Since there are over 530 municipalities and 93 counties, determining an accurate cost for LB 720 would be difficult, if not impossible. For some guidance, RS Means Building Construction Cost Data (2017) estimates a range from 0.50% to 2.0% for permit fees. For commercial building construction, local government permit and inspection fees could easily range from 2.0% to 4.0% for State of Nebraska construction projects. The fee range would depend on the size and complexity of each project.

The TFBR's fiscal impact estimate is based on the following assumptions. In FY2016/17, the TFBR provided funding in the amount of \$11,676,043 for state agency construction contracts. To account for inflation to FY2018-19 and FY2019-20, the SBD's 2016 average rate for inflation of 3.15% per year is used. Based on an estimated 3.15% per year inflation rate, the total construction cost values for FY2018-19 and FY2019-20 are \$12,044,000 [ $\$11,676,043 \text{ project costs} \times 3.15\% = \$12,044,000$ ] and \$12,425,000 [ $\$12,044,000 \times 3.15\% = \$12,424,000$ ] respectively. The TFBR estimates that imposing local government building permit and inspection fees could add an average of 3.0% to each project, or \$361,000 [ $\$12,044,000 \text{ project costs} \times 3\% = \$361,000$ ] for FY18-19 and \$372,750 [ $\$12,424,000 \text{ project costs} \times 3\% = \$372,720$ ] for FY19-20.

The OCC does not routinely administer projects which would be affected by this potential change in Legislation, however, the OCC is currently in the process of administering the largest renovation in the Capitol's history. Using just the estimated cost of the HVCA work – \$90 million, an estimated increase in fees of \$2.7 million [\$90 million HVAC costs X 3% = \$2.7 million]. This would require an additional \$2.7 million in General Funds. As this is a multi-year project the impact is shown in FY19-20, but would be spread out over the life of the project. The project would also incur additional design costs that can't be determined at this time over the life of the project.

SBD is currently engaged in six (6) significant projects using SBD revolving funds having a cost of approximately \$2.242 million. SBD estimates that imposing local government building permit and inspection fees could add an average of 3.0% to each project, or [\$2,242,000 project costs X 3% = \$67,260] each fiscal year.

The addition of multiple building codes would also require research and review of the project's plans to verify compliance – thereby increasing a project's time-line and require additional internal staff time. This could reduce the number of projects that could be managed each year.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2018-19	2019-20
	18-19	19-20	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....			\$428,260	\$3,139,980
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$428,260	\$3,139,980

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

**2018**

**LB<sup>(1)</sup> 720**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> University of Nebraska

Prepared by: <sup>(3)</sup> Michael Justus Date Prepared: <sup>(4)</sup> January 10, 2018 Phone: <sup>(5)</sup> 402-472-2191

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>539,600</u>	<u>                    </u>	<u>539,600</u>	<u>                    </u>
CASH FUNDS	<u>250,000</u>	<u>                    </u>	<u>250,000</u>	<u>                    </u>
FEDERAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
OTHER FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL FUNDS</b>	<b><u>789,600</u></b>	<b><u>                    </u></b>	<b><u>789,600</u></b>	<b><u>                    </u></b>

**Explanation of Estimate:**

1) The permit fee the University uses is based on the Uniform Building Code fee calculator. It is a simple graduated percentage of the value of the work, including a 30% plan review fee. All inspected work is covered under one fee. Municipalities' fees include permit and plan review fees, mechanical, plumbing, electrical, fire alarm, fire suppression, energy, inspection and other fees. The method of calculating the fees varies from municipality to municipality. (Websites of Lincoln and Omaha are included for reference: <https://lincoln.ne.gov/city/build/codes.htm> <https://lincoln.ne.gov/city/attorn/lmc/ti20/ch2006.pdf> <https://permits.cityofomaha.org/fees#Building>)

2) While difficult to compare various fee structures, UNL averaged \$75M of construction over the last three years. Permit fees to the City of Lincoln would have cost \$425K/year. Total actual costs for UNL were \$150K/year or 35% the cost. The University averaged \$150M of construction FY15-FY17. Assuming the same costs for all campuses, the increased cost would have been \$550K/year. The projected expenditures assume 1/3<sup>rd</sup> auxiliary (cash) construction.

3) A dedicated employee will be required to review and update amendments adopted by Omaha, Lincoln, Scottsbluff, Kearney, and North Platte and other cities.

4) Design firms would incur more costs by having to research several different code sets. We anticipate an additional 1% cost or \$150K.

Note: No indirect costs such as zoning, environmental, signage or yearly inspections, etc. are included as they cannot be estimated but are anticipated to add an additional \$100-250K per year.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19 EXPENDITURES</u>	<u>2019-20 EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
Code Official	<u>1.00</u>	<u>1.00</u>	<u>70,000</u>	<u>70,000</u>
Benefits.....			<u>19,600</u>	<u>19,600</u>
Operating.....			<u>700,000</u>	<u>700,000</u>
Travel.....			<u>                    </u>	<u>                    </u>
Capital outlay.....			<u>                    </u>	<u>                    </u>
Aid.....			<u>                    </u>	<u>                    </u>
Capital improvements.....			<u>                    </u>	<u>                    </u>
<b>TOTAL.....</b>			<b><u>789,600</u></b>	<b><u>789,600</u></b>

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

**2018**

**LB<sup>(1)</sup> 720**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> State Fire Marshal

Prepared by: <sup>(3)</sup> Deb Hostetler Date Prepared: <sup>(4)</sup> 1/4/2018 Phone: <sup>(5)</sup> (402) 471-9479

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19 EXPENDITURES</u>	<u>2019-20 EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____



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

**2018**

**LB<sup>(1)</sup> 720 Building code revision**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Game and Parks Commission

Prepared by: <sup>(3)</sup> Patrick H. Cole Date Prepared: <sup>(4)</sup> 1/5/2018 Phone: <sup>(5)</sup> 402-471-5523

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The proposed legislation would require all state constitutional offices, state administrative departments, state boards and commissions, as well as the University of Nebraska and the Nebraska state colleges, to comply with local building and construction codes enacted, administered or enforced pursuant to section 71-6406 to the extent that such codes meet or exceed the standards of the state building code.

In the instance that a local building code requires design by a structural engineer in place of a professional engineer this may limit design that we can do in house and limit the number of designers that can perform such work. If the local building code (in areas of any of our facilities) is more stringent than the state building code this may lead to additional construction cost.

A definitive fiscal Impact is not determinable as it will depend on the type of projects in specific locations and the local codes.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2018**

**LB<sup>(1)</sup> 720**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Katie Thurber Date Prepared: <sup>(4)</sup> 2-5-2018 Phone: <sup>(5)</sup> 402-471-9912

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2018-19		FY 2019-20	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	\$189,401	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	\$189,401	=====

Explanation of Estimate: LB 720 revises the Building Construction Act to require all state agencies to comply with local building and construction codes to the extent that such codes meet or exceed the standards of the state building code. The Building Construction Act covers construction, reconstruction, alteration, and repair of buildings and other structures within Nebraska.

Due to federal funding restrictions, the Nebraska Department of Labor is not eligible for 309 Task Force for Building Renewal funding. As such, the Nebraska Department of Labor is responsible for funding any needed building construction, reconstruction, alteration, and repairs. The Nebraska Department of Labor owns two buildings located at 500 and 550 South 16<sup>th</sup> Street that require significant repairs. The Department is currently in the process of obtaining a building study to determine repairs that are needed and to gain a better understanding of total expenses. Known repairs include removing asbestos from three floors, resolving water issues, replacing of two chillers, elevator modernization, restroom replacement as well as replacing HVAC and electrical systems.

Expenses are estimated utilizing the same formula as DAS, which provides an additional 3% in expense to satisfy all building code requirements. The original estimated cost of repairs total \$6,313,356. With LB 720, we anticipate costs would increase to \$6,502,757. This fiscal note represents the cost increase of 3% or \$189,401 from the original estimate required to meet or exceed the standards of the state building code.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2018-19 <u>EXPENDITURES</u>	2019-20 <u>EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Salaries.....	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	\$189,401
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	\$189,401

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

**2018**

**LB<sup>(1)</sup> 720**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska State College System (NSCS)

Prepared by: <sup>(3)</sup> Carolyn Murphy Date Prepared: <sup>(4)</sup> 01/11/2018 Phone: <sup>(5)</sup> 402-471-2505

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2018-19		FY 2019-20	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>Undetermined</u>	_____	<u>Undetermined</u>	_____

Explanation of Estimate:

LB720 would require that the NSCS comply with local building codes to the extent that the codes meet or exceed the standards of the state building code. While there is a potential for adding costs to NSCS projects, it is difficult to estimate the impact because it would depend on the type and size of a particular project. The additional costs may come from additional requirements placed on the project itself, as well as any local permit and inspection fees.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19 EXPENDITURES</u>	<u>2019-20 EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2018**

**LB<sup>(1)</sup> 720**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Becky Fleming Date Prepared: <sup>(4)</sup> 1/11/18 Phone: <sup>(5)</sup> (402) 479-4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>See below*</u>	_____	<u>See below*</u>	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 720 changes applicability provisions for building codes. If passed, NDOT would need to comply with local building and construction codes enacted. Additional expenses for local building permits and inspection fees would be highly variable by locale.

\*Additional expenses are anticipated but cannot be determined at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19 EXPENDITURES</u>	<u>2019-20 EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____