

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	88,729		87,201	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	88,729		87,201	

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

LB 994 creates the Rural Broadband Study Task Force.

Section 2 provides for membership and Nebraska Information Technology Commission (NITC) staff assistance in consultation with staff from the Public Service Commission (PSC) and other interested parties. The Task Force shall meet at the call of the chairperson and shall present its findings in a report to the Executive Board of the Legislative Council no later than December 1, 2019 and December 1 every odd-numbered year thereafter.

Section 4 allows the PSC to open a docket to consider the implementation and operation of a reverse auction program that awards funding to broadband Internet service providers to support high-speed Internet infrastructure deployment projects in unserved or underserved exchanges in Nebraska. The PSC may also withhold Nebraska Telecommunications Universal Service Funds from companies which have not served those areas with service that meets certain criteria.

Section 5 requires the PSC to establish and maintain a registry of locations within the State of Nebraska for complaints made to the commission regarding the lack of coverage for wireless telecommunications service.

The PSC estimates the need for 1.0 GIS Analyst to address the bill's provisions. This position would analyze FCC Form 477 data to determine how Nebraska compares to its neighbor states with respect to upload and download speeds, creating maps derived from the tabular information to include in the task force report. This position would also be responsible for assisting with the development of the wireless coverage complaint registry as well as the creation of the public report describing areas with inadequate wireless service.

There is no basis to disagree with the estimate of an additional position.

The Department of Administrative Services (OCIO) assumes that "staff assistance" will be in the form of providing expert/analyst support, and not providing staff support such as meeting coordination, organization, etc. Under this assumption, the OCIO estimates no fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 994	AM:	AGENCY/POLT. SUB: Nebraska Public Service Commission	
REVIEWED BY: Ann Linneman	DATE: 1-22-18	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Public Service Commission's assessment of fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 994	AM:	AGENCY/POLT. SUB: Nebraska Department of Administrative Services	
REVIEWED BY: Ann Linneman	DATE: 1-22-18	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Department of Administrative Services' assessment of fiscal impact.			

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

2017

LB⁽¹⁾ 994

FISCAL NOTE

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

Prepared by: ⁽³⁾ Julie Heyen Date Prepared: ⁽⁴⁾ 1/16/2017 Phone: ⁽⁵⁾ 402-471-4385

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2017-18		FY 2018-19	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>See below</u>	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>

Explanation of Estimate:

LB 994 would create the Rural Broadband Study Task Force and would require the Nebraska Information Technology Commission (NITC) to provide staff assistance for the task force. The OCIO assumes that “staff assistance” relates only to the NITC providing expert/analyst support (as described in Sec. 2. (2)(a) through (f)) and does **not** extend to the NITC providing administrative support (meeting coordination, organization or providing staff support to take minutes at the task force meetings). The OCIO also assumes that the NITC would not bear the burden of general meeting expenses such as fees for meeting space and/or speakers, etc.

The NITC has staff that could provide such “staff assistance” at no additional fiscal impact, expenses incurred to travel to the task force meetings would be expected to be reimbursable to the NITC. Section 2, subparagraph (3) provides that task force members shall be entitled to receive reimbursement for any actual expenses incurred for such service as provided in sections 81-1174 to 81-1177, but doesn’t provide the source of the funding for these reimbursements.

LB 994 Sec. 3. would amend the Nebraska Telecommunications Universal Service Fund contribution methodology. Based upon the potential legislation, there could be a large fiscal impact to the State as a whole – an assessment mechanism that would be billed to all customers, and to the OCIO specifically, in regards to the need for additional revolving spending authority to process increased invoices from vendors, but the fiscal impact is undeterminable at this time. The OCIO currently manages more than approximately 18,000 phone lines and more than 1,000 circuits which could be impacted by this change.

LB 994 will have a fiscal impact on the OCIO and the State, but such impact is undeterminable at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2018

LB⁽¹⁾ 994 REVISED

FISCAL NOTE

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

Prepared by: (3) Laurie Casados Date Prepared: (4) 1-18-2018 Phone: (5) 402-471-0252

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>88,729</u>	<u>0</u>	<u>87,201</u>	<u>0</u>
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>88,729</u>	<u>0</u>	<u>87,201</u>	<u>0</u>

Explanation of Estimate:

LB 994 creates the Rural Broadband Study Task Force and directs the Commission to provide staff assistance to the task force and produce reports related to the availability, adoption, and affordability of broadband services in rural areas of Nebraska. The bill also makes changes to the powers of the PSC under the Nebraska Universal Service Fund and provides for the ability to implement and operate a reverse auction program that awards funding to support high speed internet infrastructure deployment in rural areas of the state. The Commission is further tasked with the establishment and maintenance of a registry regarding lack of coverage for wireless telecommunications service within Nebraska.

Due to the additional required duties, the Commission will need to add 1 FTE for a GIS Analyst. The analyst would be responsible for analyzing FCC Form 477 data to determine how Nebraska compares to neighboring states with respect to upload and download speeds, and creating maps derived from the tabular information to include in the task force report to the Executive Board of the Legislature. The analyst would also be responsible for assisting with development of the wireless coverage complaint registry, as well as the creation of the public report describing the areas of the state that appear to have inadequate wireless telecommunications service utilizing the aforementioned registry, FCC Form 477 data, and data collected by the Commission through its consumer complaint process.

Estimated costs for 1 FTE for a GIS Analyst are provided below.

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>
GIS Analyst	<u>1</u>	<u>1</u>	<u>53,019</u>	<u>53,814</u>
Benefits.....			<u>32,310</u>	<u>32,787</u>
Operating.....			<u>1,400</u>	<u>600</u>
Travel.....			<u>0</u>	<u>0</u>
Capital outlay.....			<u>2,000</u>	<u>0</u>
Aid.....			<u>0</u>	<u>0</u>
Capital improvements.....			<u>0</u>	<u>0</u>
TOTAL.....			<u>88,729</u>	<u>87,201</u>