

BY: Scott Danigole
 DATE PREPARED: February 15, 2022
 PHONE: 471-0055

LB 1194

Revision: 00

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				
CASH FUNDS				
FEDERAL FUNDS	\$55,000,000			
OTHER FUNDS				
TOTAL FUNDS	\$55,000,000			

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

LB 1194 appropriates \$55,000,000 of Federal Funds for FY2022/23 to the Public Service Commission for Program 583 (Enhanced Wireless 911) from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act (ARPA) of 2021. These funds shall be used to provide aid in pro rata to each of Nebraska’s sixty-seven public safety answering points (PSAP). No more than \$2,000,000 shall be used to provide cloud-based software to each PSAP for certain smart phone 911 callers.

In addition, \$3,000,000 shall be used to partner with the University of Nebraska for the purpose of establishing a public-private partnership to develop cloud-based software services that utilize artificial intelligence to improve the handling and processing of 911 emergency calls.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1194	AM:	AGENCY/POLT. SUB: Public Service Commission (14)
REVIEWED BY: Joe Wilcox	DATE: 02/15/2022	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Public Service Commission (PSC) estimate of overall fiscal impact to the Agency from LB 1194. The bill appropriates \$55 million federal ARPA funds to the Nebraska Public Service Commission, It should be noted that the maximum funding available under the federal Coronavirus State Fiscal Recovery Fund is \$1.04 billion, of which only \$520 million is currently available. Appropriation of these funds must be balanced in aggregate in order to avoid over obligation.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1194	AM:	AGENCY/POLT. SUB: University of Nebraska (51)
REVIEWED BY: Joe Wilcox	DATE: 02/01/2022	PHONE: (402) 471-4178
COMMENTS: Concur with the University of Nebraska estimate of \$3 million impact to the University of Nebraska from LB 1194, however, on a technical note, LB 1194 does not directly appropriate \$3,000,000 federal funds to the University, or allocate funding directly to the University. The bill appropriates \$55 million federal funds to the Nebraska Public Service Commission (PSC), then identifies that the PSC shall use \$3 million of this \$55 million to partner with the University of Nebraska to establish a public-private partnership to develop cloud-based software services that utilize artificial intelligence to improve handling and processing of 911 emergency calls. In addition, it should be noted that the maximum funding available under the federal Coronavirus State Fiscal Recovery Fund is \$1.04 billion, of which only \$520 million is currently available. Appropriation of these funds must be balanced in aggregate in order to avoid over obligation.		

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2022

LB⁽¹⁾ 1194

FISCAL NOTE

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

Prepared by: ⁽³⁾ Laurie Casados Date Prepared: ⁽⁴⁾ 2/1/2022 Phone: ⁽⁵⁾ 402-471-0252

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	<u>28,500,000</u>	<u>55,000,000</u>	<u>26,500,000</u>	<u>0</u>
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>28,500,000</u>	<u>55,000,000</u>	<u>26,500,000</u>	<u>0</u>

Explanation of Estimate:

LB1194 appropriates \$55,000,000 in federal American Rescue Plan Act funds to the Commission’s program 583. These funds are prescribed to be used in the following manner: 1) \$50,000,000 in pro rata aid to each of Nebraska’s 68 public safety answering points (PSAP), 2) \$2,000,000 to select a vendor to provide cloud-based software to each public safety answering point as a service for smart phone 911 callers, 3) \$3,000,000 to partner with the University of Nebraska for the purpose of establishing a public-private partnership to develop cloud-based software services that utilize artificial intelligence.

Our research indicates that the federal auditing and reporting requirements for the American Rescue Plan Act funds would be extensive. Each expenditure of funds by each individual PSAP and the University would have to be properly accounted for and reported to the federal government. As the recipient of these funds, reporting would be the responsibility of the Commission and would require the close cooperation of each local jurisdiction that operates a PSAP as well as the University. Therefore, the Commission would require allowed administrative costs in order to carry out the provisions of this bill.

The Commission would require an additional Program/Grants Manager, the responsibilities of which would be to establish and manage the program at the Commission, to work with the 68 PSAPs as sub-recipients to develop a spending plan that meets the requirements of the American Rescue Plan Act and ensures that the funds will be spent on eligible uses. The Program Manager would also be a resource to the PSAPs to distribute the funds and provide the necessary training so that compliance can be achieved.

In addition, in order to meet the auditing and federal reporting requirements for the American Rescue Plan Act, the Commission would also require an additional Auditor position. The Auditor would be responsible for the compilation, review and reporting of all information related to use of federal funds. Federal reporting rules will require the Commission to collect information from the PSAPs and report that information to the federal agency on a quarterly and annual basis. Working with 68 local jurisdictions and the University as sub-recipients will require a full-time position to accomplish this.

The State 911 Department at the Commission is responsible to plan, implement, coordinate, manage, maintain, and provide funding assistance for a cost-efficient 911 service system. In order to meet the requirements in “2)” above, the Department Director and Agency Attorney will have to develop, release, and manage a successful Request for Proposal (RFP) process and identify a successful bidder. Once the successful bidder is identified, the Attorney will negotiate a contract that is acceptable to both parties. Procurement of the software and distribution to the PSAPs will be required of the Director, Attorney, and the 911 Field Coordinator. Successful completion of distribution and reporting of these funds would also require an allocation of 911 Service System staff and administrative support staffing resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Program/Grants Manager	1	1	66,828	68,165
Auditor	1	1	61,282	62,507
Administrative Support Allocation			52,493	53,543
Benefits.....			80,090	80,657
Operating.....			3,520,863	1,513,160
Travel.....			0	0
Capital outlay.....			0	0
Aid.....			24,718,444	24,721,968
Capital improvements.....			0	0
TOTAL.....			28,500,000	26,500,000

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LB ⁽¹⁾ 1194 Appropriate federal funds to the Public Service Commission for public safety answering points and cloud-based software services to process 911

FISCAL NOTE

State Agency OR Political Subdivision Name:⁽²⁾ University of Nebraska System

Prepared by:⁽³⁾ Chris Kabourek

Date Prepared:⁽⁴⁾ 01/31/2022

Phone:⁽⁵⁾ (402) 472-7102

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2022-23		FY 2023-24	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	0.00	0.00	0.00	0.00
CASH FUNDS	0.00	0.00	0.00	0.00
FEDERAL FUNDS	3,000,000.00	3,000,000.00	0.00	0.00
OTHER FUNDS	0.00	0.00	0.00	0.00
TOTAL FUNDS	3,000,000.00	3,000,000.00	0.00	0.00

Explanation of Estimate:

LB 1194 allocates \$3 million in federal funds from the State of Nebraska's State and Local Fiscal Recovery Funds allocated under the America Rescue Plan Act of 2021 to the University of Nebraska to establish a public-private partnership to develop cloud-based software services that use AI to improve the handling of 911 calls.

At this time, we are unable to discern if the University of Nebraska System would need to acquire additional staff or technology resources to assist in the development of this project. We anticipate that the University System will utilize a small portion of the \$3 million allocation to supplement our existing resources in order to develop the final deliverable, which is reflected in the breakdown of our fiscal note.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2022-23	2023-24
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
	0	0	2,500,000.00	
	0	0		
Benefits.....				
Operating.....			500,000.00	
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			3,000,000.00	