

PREPARED BY: Clinton Verner
 DATE PREPARED: February 28, 2023
 PHONE: 402-471-0056

LB 656

Revision: 00

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 | | See below | | See below |
| CASH FUNDS | See below | See below | See below | See below |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | See below | See below | See below | See below |

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

LB656 creates intent to transfer \$40,000,000 from the General Fund each fiscal year to the Small Watersheds Flood Control Fund until the local cost-share is met for all Nebraska watershed and flood prevention operations active on December 31, 2022.

The Small Watersheds Flood Control Fund is statutorily enabled to purchase property or easements for local organizations to install upstream flood control or watershed protection and flood prevention structures and has been an inactive fund. Concur with the agency that expenditures are unknowable until a census of active projects and demand is undertaken. Administrative costs for beginning the program appear reasonable.

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
|--|-----------------|---|--|
| LB: 656 | AM: | AGENCY/POLT. SUB: Department of Natural Resources | |
| REVIEWED BY: Jacob Leaver | DATE: 1/25/2023 | PHONE: (402) 471-4173 | |
| COMMENTS: Concur with the Department of Natural Resources' estimated fiscal impact to the agency as a result of LB 656. It is assumed that LB 656 will have an accompanying A-bill with the additional appropriation needed to carry out this act. | | | |

State Agency OR Political Subdivision Name: ⁽²⁾ Dept. of Natural Resources

Prepared by: ⁽³⁾ Ron Theis Date Prepared: ⁽⁴⁾ 1/19/23 Phone: ⁽⁵⁾ 402 471 0577

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 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | <u>40,000,000</u> | <u>40,000,000</u> | <u>40,000,000</u> | <u>40,000,000</u> |

Explanation of Estimate:

The bill intends to transfer forty million dollars each fiscal year from the General Fund to the Small Watersheds Flood Control Fund (NSWFCF) until the total local cost-share is met for all Nebraska watershed and flood prevention operations projects active on December 31, 2022.

NSWFCF is a revolving fund limited to expenditures for land rights. Proceeds from the sale of lands purchased, rental income from property held in inventory while the structure is being built, and other revenue is returned to the fund and become available for use on the next project.

The department sought information from NRCS on the number of active projects but was unable to verify the specific number of active projects and the total local cost-share for those projects. The department’s current budget includes \$0.00 for NSWFCF use by the Natural Resources Commission (NRC) for this purpose annually through Program 334 until the Fund is replenished. The bill’s substantial increase in Fund resources will likely require additional FTE support, but that amount cannot be accurately determined without a full scope of the number of active projects and required land acquisitions associated with those projects. In lieu of that information, expenditures shown below are for Aid and our best estimate of increased personnel costs if complete expenditure of the bill’s intended amounts occurs in each year.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | NUMBER OF POSITIONS | | 2023-24 | 2024-25 |
|-----------------------------------|----------------------------|---------------------|----------------------------|----------------------------|
| | <u>23-24</u> | <u>24-25</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| Environmental Supervisor | 1 | 1 | 62,800 | 66,568 |
| Accountant I | 1 | 1 | 31,340 | 33,220 |
| Benefits | | | 72,000 | 74,880 |
| Operating | | | 4,000 | 4,240 |
| Travel | | | 8,000 | 8,480 |
| Capital outlay | | | | |
| Aid | | | 39,821,860 | 39,812,612 |
| Capital improvements | | | | |
| TOTAL | | | 40,000,000 | 40,000,000 |