

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below	See Below	See Below	See Below
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS	See Below	See Below	See Below	See Below
OTHER FUNDS	See Below	See Below	See Below	See Below
TOTAL FUNDS	See Below	See Below	See Below	See Below

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 527 requires each state-owned motor vehicle to have installed in it an automatic vehicle location system device which shall record and account for each item required in 81-1025(1). This requirement begins January 1, 2011. Special use vehicles as prescribed in section 81-1011 and vehicles to which a state agency holds the title are exempt from this provision. Special use vehicles are vehicles such as:

- Busses
- Laundry trucks
- Mail trucks
- Airport security vehicles
- Military trucks and cars
- Vehicles which are considered a duty station, such as vehicles used by the state patrol or game wardens

The table below lists the agencies surveyed as to their anticipated costs. It should be noted that this listing may not be an exhaustive representation. In addition, there are some costs that will be duplicative insofar as an agency may have included a dedicated vehicle from the DAS Transportation Services Bureau (TSB) and that same vehicle may be included in the TSB estimate. The figures in the table below assume that any estimated costs have already removed the "special use vehicles" from the agency estimate.

Based on the responses received, there are approximately 2,400 vehicles for which ongoing expenses could be incurred. The CIO's estimate for ongoing connectivity is \$210 per year (that figure increases slightly in future years). Therefore, ongoing costs would be approximately \$500,000 per year. This is a charge that would be passed on to agencies utilizing and accessing the system required in the bill. The fund sources would vary from one agency to the next.

Agency	FY09-10 Est.	FY10-11 Est.	Funding Source
Agriculture	\$0	\$70,090	General Fund
University Of Nebraska	\$0	\$478,000	General Fund
University Of Nebraska	\$0	\$7,000	Other Funds
Historical Society	\$0	\$4,000	General Fund
Fire Marshal	\$0	\$22,525	General Fund
State College System	\$0	\$36,400	General Fund
Public Service Commission	\$0	\$6,120	General Fund
Corrections	\$0	\$62,775	General Fund
Corrections	\$0	\$10,125	Revolving Fund
DAS	\$317,860	\$495,996	General Fund
DAS	\$260,721	\$361,393	Revolving Fund
Total	\$578,581	\$1,554,424	

TSB estimates the need for one FTE in the first fiscal year and an additional FTE in the second fiscal year. TSB states that these FTE will be utilized in the first year to assist in the initial setup and implementation of the GPS system. In the second year and beyond, the positions will provide website and data support and management of the program. It is unclear why two FTE will be needed to maintain the system once the website is established, however, since this is a completely new activity, that estimate may be accurate. The full amount identified by the agency was used in the table of agency costs.

Even though the bill's provisions are not in effect until January 1, 2011, DAS estimates costs in fiscal year 2009-10. These funds are needed in order to have the system operational by the beginning of 2011. The work of acquiring and installing the GPS devices would have to occur prior to that date resulting in costs being incurred in the first fiscal year.

There is no basis to disagree with the estimates provided.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE	3/10/09	PHONE	471-2526
COMMENTS					
ADMINISTRATIVE SERVICES/TRANSPORTATION SERVICES BUREAU: Agency's estimates appear to be reasonable.					
AGRICULTURE: No basis to disagree with estimate.					
BRAND COMMITTEE: No basis to disagree.					
DEPARTMENT OF CORRECTIONAL SERVICES: Estimates appear reasonable for assumptions being used by the agency.					
ELECTRICAL BOARD: No basis to disagree.					
FIRE MARSHAL: The Fire Marshal estimate assumes no exemption for their vehicles, even though they may qualify as "specialty vehicles" under the bill. Due to the uncertainty as to whether Fire Marshal or TSB would claim the vehicles as "specialty" and as Fire Marshal leases its vehicles from TSB and does not ultimately own them itself, the potentially higher estimate reflected in the fiscal note is defensible.					
GAME AND PARKS COMMISSION: No basis to disagree with estimate.					
STATE HISTORICAL SOCIETY: No basis to disagree with estimate.					
NEBRASKA MILITARY DEPARTMENT: No basis to disagree.					
OIL AND GAS CONSERVATION COMMISSION: No basis to disagree.					
DEPARTMENT OF REVENUE: Agree with agency that the impact to the Department of Revenue would be minimal. The increase in costs for these devices would likely be passed on to all agencies in the form of higher rental rates.					
DEPARTMENT OF ROADS: No basis to disagree.					
NEBRASKA STATE COLLEGE SYSTEM: No basis to disagree with estimate.					
NEBRASKA STATE PATROL: No basis to disagree.					
SUPREME COURT: No basis to disagree with estimate.					
UNIVERSITY OF NEBRASKA: No basis to disagree with agency's estimate of impact.					