

Revised to reflect all amendments adopted to date.

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

| <b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates) |                     |                |                     |                |
|---|---------------------|----------------|---------------------|----------------|
|   | <b>FY 2021-22</b>   |                | <b>FY 2022-23</b>   |                |
|   | <b>EXPENDITURES</b> | <b>REVENUE</b> | <b>EXPENDITURES</b> | <b>REVENUE</b> |
| GENERAL FUNDS   | \$20,000,000        |                | \$20,000,000        |                |
| CASH FUNDS  |                     |                |                     |                |
| FEDERAL FUNDS   |                     |                |                     |                |
| OTHER FUNDS   |                     |                |                     |                |
| <b>TOTAL FUNDS</b>  | <b>\$20,000,000</b> |                | <b>\$20,000,000</b> |                |

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

LB 388 is the Nebraska Broadband Bridge Act.

Section 2 provides definitions for the Act.

Section 3 creates the Broadband Bridge Program with the purpose of facilitating and funding the development of broadband networks in unserved and underserved areas of Nebraska. Furthermore, Legislative intent to appropriate twenty million dollars (\$20,000,000) annually, beginning in fiscal year 2021-2022 to the Public Services Commission (PSC) is included.

Section 4 allows a provider, a cooperative, or a political subdivision to apply to the PSC for a grant. Such grants shall only be used for development costs for a qualifying project. Applications from political subdivisions shall be made as part of a public-private partnership. For each application, matching funds equal to fifty percent of the total development costs shall be required. If a grant recipient fails to complete the project on time, provisions are stipulated for grant repayment.

The PSC estimates the need for an additional attorney position to promulgate rules and develop the process and procedures for the program. In addition, the program would require an additional program analyst to review applications, determine if applications meet program requirements, assign a priority, determine if and how the 50% match requirement is met, review speed test data submitted post-project, review challenges submitted during the challenge process, and review applicant expenses to ensure program support is used as intended by the legislation. The total operational cost estimate is \$217,792 in fiscal year 2022 with ongoing costs of \$204,212 beginning in fiscal year 2023. These estimates appear to be reasonable.

As amended by AM1168, administrative costs are to be paid from the \$20 million General Fund appropriation.

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2021

LB<sup>(1)</sup> 388, AM530, AM1168

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Public Service Commission

Prepared by: <sup>(3)</sup> Laurie Casados Date Prepared: <sup>(4)</sup> 4/28/2021 Phone: <sup>(5)</sup> 402-471-0252

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

|               | <u>FY 2021-22</u>   |                | <u>FY 2022-23</u>   |                |
|---------------|---------------------|----------------|---------------------|----------------|
|               | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | \$20,000,000        | 0              | \$20,000,000        | 0              |
| CASH FUNDS    |                     |                |                     |                |
| FEDERAL FUNDS |                     |                |                     |                |
| OTHER FUNDS   |                     |                |                     |                |
| TOTAL FUNDS   | \$20,000,000        | 0              | \$20,000,000        | 0              |

**Explanation of Estimate:**

LB 388 would implement the Nebraska Broadband Bridge Act, a new program aimed at offsetting the capital costs of deploying broadband in areas that are underserved or unserved, according to the definitions in the bill. It would set the minimum speeds of projects supported through the program at 100 megabits per second download and upload. The program would require a 50% match from the applicant, require testing data to be submitted, and implement a challenge process.

This bill provides for \$20 million annually in order to fund grants within this newly created program. In order to implement the provisions of this act, the PSC would require an additional attorney position to promulgate rules and develop the process and procedures for the program. The challenge process as outlined in the bill would require legal filings with the Commission, and if deployment obligations are not met, collection of the original grant support. With a due date for applications to be received by October 1, 2021, a dedicated attorney position is a necessity for implementing the program, acting on the challenges, and writing grant award documents in a timely manner. The program would also require an additional program analyst to review applications, determine if applications meet the requirements laid out in the legislation, assign a priority, determine if and how the 50% match requirement is met, review speed test data submitted post-project, review challenges submitted during the challenge process, and review applicant expenses to ensure program support was used as intended by the legislation.

The bill, as amended, AM1168 provides that the \$appropriates \$20 million in appropriated general funds for this program would to cover grants awarded and the administrative costs associated with the additional staff necessary to administer this program.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

| <u>POSITION TITLE</u>     | <u>NUMBER OF POSITIONS</u> |              | <u>2021-22</u>      | <u>2022-23</u>      |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
|                           | <u>21-22</u>               | <u>22-23</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| Attorney                  | 1                          | 1            | 65,000              | 67,600              |
| Program Analyst           | 1                          | 1            | 62,998              | 65,518              |
| Benefits.....             |                            |              | 65,337              | 67,950              |
| Operating.....            |                            |              | 14,347              | 3,144               |
| Travel.....               |                            |              | 0                   | 0                   |
| Capital outlay.....       |                            |              | 0                   | 0                   |
| Aid.....                  |                            |              | 19,792,318          | 19,795,788          |
| Capital improvements..... |                            |              | 0                   | 0                   |

**TOTAL**.....

20,000,000

20,000,000