

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(\$59,653)	See Below	(\$60,995)	See Below
CASH FUNDS	\$5,003	See Below	\$5,104	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(\$54,650)	See Below	(\$55,891)	See Below

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

LB 1040 amends the Low-Income Home Energy Conservation Act.

The bill makes a number of changes to the Act including: removes administrative authority for the Act from the Department of Revenue and places it with the State Energy Office; removes an ownership restriction on the residence that may receive an energy conservation improvement; removes references to public power districts; defines subgrantee to mean an entity to receive energy conservation improvement funds awarded by the Energy Office; strikes language that specified how the fund was previously funded and awarded; provides that a subgrantee may establish a program to provide energy conservation improvements; requires the Energy Office to monitor the program; and requires a report to the Legislature on or before September 1 of each year.

The bill also states legislative intent to transfer \$250,000 from the General Fund to the Energy Conservation Improvement Fund for the purposes set forth in Section 66-1015 on an annual basis.

The bill outright repeals Section 66-1017 which deals with contracts by eligible entities to administer a program for eligible energy conservation grants.

The State Energy Office has indicated expenditures necessary to administer the Act of \$5,003 for FY2014-15 and \$5,104 for FY2015-16. The Energy Office has also indicated total expenditure of \$250,000 per fiscal year and made the assumption that 5% of the amount transferred to the Energy Conservation Improvement Fund can be used for administrative expenses.

We disagree with the State Energy Office's estimate of fiscal impact. Section 3 of LB 1040 states legislative intent, which is not a binding appropriation, to transfer \$250,000; there would only be a fiscal impact if the appropriation were made by the Legislature. In addition, the bill is silent on the use of the Energy Conservation Improvement Fund for administrative and operational costs. We believe any administrative or operational costs would be in addition to amounts transferred to the Energy Conservation Improvement Fund for purposes of funding the grants provided for in LB 1040. The amount the Energy Office details as administrative costs appears reasonable but would be in addition to any amount used for grants.

The Department of Revenue indicates that LB 1040 would reduce the Department's expenditures by \$59,653 or FY2014-15 and \$60,995 for FY2015-16. Because of the change in administering agency from the Department of Revenue to the State Energy Office, the Department would no longer require 1.0 FTE Auditor Senior for administration of the program.

We agree with the Department of Revenue's estimate of expenditure.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 1040	AM:	AGENCY/POLT. SUB: Nebraska Energy Office	
REVIEWED BY: Cindy Miserez		DATE: 02/03/2014	PHONE: 402-471-4174
COMMENTS: The fiscal analysis provided by the Nebraska Energy Office for LB1040 appears reasonable.			

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2014

LB⁽¹⁾ 1040

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Energy Office

Prepared by: ⁽³⁾ Danielle Jensen

Date Prepared: ⁽⁴⁾ 1/24/2014

Phone: ⁽⁵⁾ 471-3360

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS		-\$250,000		-\$250,000
CASH FUNDS	\$250,000	\$250,000	\$250,000	\$250,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$250,000</u>	<u>-0-</u>	<u>\$250,000</u>	<u>-0-</u>

Explanation of Estimate:

The bill contains intent language to transfer \$250,000 from the General Fund to the Energy Conservation Improvement Fund, Creating cash funds for the Nebraska Energy Office to carry out the duties specified. The money would be awarded to sub-grantees for work as defined under the bill. The Energy Office assumes 5% of the funding would be for agency administration and operations. Benefits amount could change due to unforeseen circumstances.

<u>FY 2014/15 Position</u>	<u>Hrs</u>	<u>Rate</u>	<u>Expenditures</u>	<u>Benefits</u>	<u>Total</u>
Weatherization/SEP Chief	10	25.19	251.90	60.90	312.80
Building Program Specialist	20	31.94	638.80	177.60	816.40
Fiscal Compliance Analyst	55	17.40	957.00	140.25	1,097.25
Energy Conservation Program Coordinator	55	17.05	937.75	249.70	1,187.45
Energy Conservation Program Coordinator	55	17.73	975.15	276.65	1,251.80
Public Information Officer II	8	32.39	259.12	78.32	337.44
TOTALS			4,019.72	983.42	5,003.14

<u>FY 2015/16 Position</u>	<u>Hrs</u>	<u>Rate</u>	<u>Expenditures</u>	<u>Benefits</u>	<u>Total</u>
Weatherization/SEP Chief	10	25.82	258.20	60.90	319.10
Building Program Specialist	20	32.74	654.80	177.60	832.40
Fiscal Compliance Analyst	55	17.84	981.20	140.25	1,121.45
Energy Conservation Program Coordinator	55	17.48	961.40	249.70	1,211.10
Energy Conservation Program Coordinator	55	18.17	999.35	276.65	1,276.00
Public Information Officer II	8	33.20	265.60	78.32	343.92
TOTALS			4,120.55	983.42	5,103.97

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
See position breakout above	6	6	\$4,019.72	\$4,120.55
Benefits.....			\$983.42	\$983.42
Operating.....			\$5,496.86	\$5,396.03
Travel.....			\$2,000.00	\$2,000.00

