

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 1096 is the Nebraska High Performance Schools Initiative Act. The act provides procedures for school districts to qualify for financing under the act. School districts that qualify as a high performance school are eligible for grants from the Nebraska Environmental Trust, grants or loans from the Nebraska Energy Office and energy efficiency loans from the federal American Recovery and Reinvestment Act, in order to carry out assessment and evaluation procedures. Schools receiving funding must document energy and operational savings on an annual basis. No school district shall lose state aid as a result of reduced energy and operations costs or because of any contracts entered into pursuant to the act.

The bill will increase revenue for school districts which qualify for and receive grant or loan funding to carry out assessment and evaluation procedures for energy projects. The number of school districts qualifying for funding and the amount of grant awards are unknown. If increases in revenue from grants or loans are included as accountable receipts and expenditures of grant funds are included in need for state aid purposes, then state aid for schools will be unchanged pursuant to increased revenue from grants or loans.

It is assumed that school districts which receive grants or loans will have reduced expenditures in the future for energy and other operational costs. The bill requires schools to document annual savings of energy and operational costs. It is assumed that some type of reporting mechanism will be developed for schools to report documented savings to the State Department of Education (NDE) in order to ensure that state aid is not lost as a result of reduced energy use and operating efficiencies. It is assumed that the expanded workload for NDE can be handled with existing staff and resources of the department.

The Nebraska Energy Office indicates that grants or loans from ARRA funds are to be used for energy efficiency savings. The bill provides that the first priority for funding is to be given to projects seeking Leadership in Energy and Environmental Design certification. The Energy Office indicates that loans or grants for assessment and evaluation procedures will not qualify for ARRA funding pursuant to federal rules.

The bill has no fiscal impact for the Environmental Trust because the funding and grant process for the trust are unchanged. However, the trust may award grants to school districts for activities pursuant to the bill.

DEPARTMENT OF ADMINISTRATIVE SERVICES

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COMMENTS					
DEPT. OF EDUCATION – Generally concur. However, any reduction in energy costs would decrease school districts' General Fund operating expenditures, making it likely that state aid would also decrease.					