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DATE PREPARED: March 27, 2012
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LB 1087

Revision: 01

Updated to reflect all amendments adopted to date.

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	13,581		13,581	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	13,581		13,581	

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

LB 1087, as amended by AM2364, creates the 8 person Natural Gas Fuel Board. The Board is established to advise the State Energy Office (Energy Office) regarding the promotion of natural gas as a motor vehicle fuel in Nebraska. The Board shall provide recommendations related to:

1. Distribution, infrastructure, and workforce development for natural gas to be used as a motor vehicle fuel;
2. Loans, grants, and tax incentives to encourage the use of natural gas as a motor vehicle fuel for individuals and public and private fleets; and
3. Such other matters as it deems appropriate.

The Board shall meet at least once annually and members shall not be reimbursed for expenses associated with carrying out their duties as members.

The Energy Office shall provide administrative support to the Board.

The Energy Office estimates the need for minimal staffing to address the duties associated with LB1087. The elements included in the Energy Office estimates are for such things as staffing and operations as well as a small amount for travel expenses. The first year estimates also include a small amount of funding to address and rule and regulation needs.

The dollar estimates provided by the Energy Office are from \$2,188 to \$13,581 in the first year and from \$439 to \$13,581 for each year thereafter. The higher end of these figures would address the potential for a greater level of support required by the Board.

Since this activity is new to the Energy Office and the Board would be beginning its activities with no history, it would be wise to err on the side of caution and provide a higher level of expenditure authority. In taking this approach, the Energy Office will be better able to address unforeseen costs and needs associated with supporting the Board.

The bill is silent regarding a funding source for this activity. The State Energy Office Cash Fund is codified in section 81-1607.01. It would appear that the activities included in LB 1087 fall under the provisions for which the Energy Office Cash Fund may be used. For this reason, the costs included in the table above are shown as Cash Funds. It should be noted, however, that the additional costs identified here may pose a future strain on the cash fund's balance.

MAR 27 2012

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LB⁽¹⁾ 1087 FISCAL NOTE

LEGISLATIVE FISCAL

State Agency OR Political Subdivision Name: (2) Nebraska Energy Office

Prepared by: (3) Danielle Jensen Date Prepared: (4) 3/27/2012 Phone: (5) 402-471-3360

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	SEE BELOW		SEE BELOW	
CASH FUNDS	SEE BELOW		SEE BELOW	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

LB 1087 with AM 2364 would create the eight-member Natural Gas Fuel Board to advise the State Energy Office regarding the promotion of natural gas as a motor vehicle fuel. The State Energy Office would provide administrative support to the board.

Depending upon the amount of staffing assistance required by the board to develop distribution and infrastructure for natural gas to be a motor vehicle fuel, development of loans, grants or tax incentives to encourage use of natural gas for motor vehicle fuels and other matters as appropriate, administrative expenses could range from \$2,188 to \$13,581 annually for FY 2012-13 and \$439 to \$13,581 annually for FY 2013-14.

The State Energy Office would have some costs related to board meetings. Costs to the agency would depend upon the number of meetings scheduled. LB 1087 requires at least one annual meeting, but does not specify a maximum number of meetings annually for which agency administrative support is necessary. Projecting administrative support with any degree of accuracy is difficult and largely unknown because this is a newly created board and board decisions have not yet been made.

The State Energy Office would carry out the administrative functions authorized by LB 1087 and AM 2364. If the Agency is only required to staff the Board meeting, it will require a minimum of 6 hours of administrative staffing. An Administrative Assistant II would be able to handle this duty at a cost of \$174 for salary and benefits for a maximum of 6 hours annually. In addition, it is estimated that adoption and promulgation of Rules and Regulations will require approximately 60 hours of time, which is an expense in the first year only. An Administrative Assistant II would complete this responsibility at a cost of \$1,749 for salary and benefits.

Administrative support costs could increase to an estimated .25 FTE at a cost of \$13,316 for an Administrative Assistant II to provide any recommendations related to development of distribution and infrastructure for natural gas to be a motor vehicle fuel, development of loans, grants or tax incentives to encourage use of natural gas for motor vehicle fuels and other matters as recommended by the board. The agency currently receives no general funds or cash funds to carry out such duties, therefore general funds appropriations would be required for the administrative support of the board.

It is anticipated that the Board will be required to publish Public Meeting Notices as required by the Open Meetings Act, and each notice is estimated at \$265 for 60 lines.

The estimated expenditures in the original Fiscal Note for grant research and development of an innovation grant fund are not included due to AM 2364 striking this section of the introduced bill.

AM 2364 does not include reimbursements for Board members for expenses associated with carrying out their duties as members.

LB 1087 does not specify a funding source allowed for State Energy Office administrative support and costs associated with operations of the established Board. Therefore, cash funds or general funds will need to be allocated as the State Energy Office does not have general or cash funds to support the intent of this act. Federal grant dollar currently received

by the Agency would not be eligible to support this activity.

FY 2012/13	Position	Hrs	Rate	Total	Benefits	Total \$
	Admin Assistant II (6 hours)	66	21.614	1,426	497	\$1,923
	Admin Assistant II (.25 FTE)	520	21.614	11,239	2,077	\$13,316

FY 2013/14	Position	Hrs	Rate	Total	Benefits	Total \$
	Admin Assistant II (6 hours)	6	21.614	130	44	\$174
	Admin Assistant II (.25 FTE)	520	21.614	11,239	2,077	\$13,316

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
Admin. Assistant II	1	1	\$1,426/11,239	\$130/11,239
Benefits.....			\$497/2,077	\$44/2077
Operating.....			\$265	\$265
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$2,188/13,581	\$439/13,581