

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$197,188		\$204,267	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$197,188		\$204,267	

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

LB459 declares findings of the Legislature, establishes the Home Weatherization Clearinghouse within the Department of Environment and Energy (DEE), and establishes the following duties for the clearinghouse:

- Serve as the primary contact point for persons applying for grants, loans, or other programs that fund home weatherization projects;
- Serve as coordinator for other state and local agencies administering or applying for any such grants; and
- Coordinate efforts by state and local agencies to maximize receipt of federal dollars for home weatherization projects.

LB459 establishes the primary focus of the clearinghouse the facilitation of funding for whole-home rehabilitation projects and caps administrative costs for public or non-profit entities administering the grants at 10% unless expressly required under relevant program rules and regulations.

Aside from DEE, other state agencies which administer state and federal funds that could be applied for weatherization purposes include the Department of Economic Development (DED) and the Department of Health and Human Services (DHHS).

DED has the following housing programs which allow weatherization or rehabilitation (which can include weatherization as a part of rehabilitation):

- Affordable Housing Trust Fund (AHTF): A review of AHTF from 1998 – 2022 indicates that approximately \$43M of \$119M awarded has been awarded for projects which entail some form of rehabilitation projects of which weatherization is presumptively a portion of the project. The amount of true weatherization projects is uncategorized and unknown;
- Community Development Block Grant (CDBG), the current Annual Action Plan from DED indicates approximately \$27M in resources available, none of which is used for weatherization projects. This legislation may change distribution going forward;
- Rural Workforce Housing Investment Fund (RWHIF): Funded via transfers from the legislature, the act allows for rehabilitation of which it is presumed that weatherization could be included as part of the rehabilitation process. However funds have not been used for rehabilitation. This legislation may change distribution going forward; and
- Middle Income Workforce Housing Investment Fund (MIWHIF): Funded via transfers from the legislature, the act allows for rehabilitation of which it is presumed that weatherization could be included as part of the rehabilitation process. However funds have not been used for rehabilitation. This legislation may change distribution going forward.

DHHS currently administers portions of the Low Income Housing Energy Assistance Program – Weatherization Assistance Program (LIHEAP - WAP) with DEE, approximately \$6.2M is received under the LIHEAP provisions jointly between the two agencies. The most recent data indicates approximately \$2M - \$3M are awarded per year under WAP, depending upon availability of federal funds. This legislation may change distribution going forward.

Our office does not have a comprehensive list of local funds or non-profit funds available for weatherization purposes.

The DEE’s estimate for administrative costs associated with this legislation appears reasonable.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 459 AM: AGENCY/POLT. SUB: Department of Environment and Energy

REVIEWED BY: Joe Massey DATE: 1/30/2025 PHONE: (402) 471-4181

COMMENTS: Department of Environment and Energy assessment of fiscal impact from LB 459 appears reasonable using the assumptions provided.

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2025

LB⁽¹⁾ 459

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Environment and Energy

Prepared by: ⁽³⁾ Kevin Stoner Date Prepared: ⁽⁴⁾ January 29, 2025 Phone: ⁽⁵⁾ 402 471-2186

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$197,188		\$204,267	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$197,188</u>		<u>\$204,267</u>	

Explanation of Estimate:

LB459 establishes the Home Weatherization Clearinghouse within NDEE. The clearinghouse shall serve as the primary contact point for persons applying for grants, loans, or other programs that fund home weatherization projects, whether administered by NDEE, other state or local agencies, nonprofits, or the federal government. NDEE would serve as the coordinator for other state and local agencies administering or applying for such grants, loans, or programs and coordinate efforts to maximize federal dollars. The primary focus would be facilitation of funding for whole-home rehabilitation projects. A whole-home rehabilitation approach is one that analyzes all of the building systems, including the building envelope, heating and cooling systems, electrical system, and electric baseload appliances. The administrative costs for public or nonprofit entities administering such grant programs shall never exceed ten percent of the program costs unless expressly required under the relevant federal, state, or local grant program.

NDEE believes it will take two additional FTE to establish and administer LB459.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Environmental Specialist III	1	1	\$60,528	\$63,554
Environmental Specialist II	1	1	\$53,810	\$55,424
Benefits.....			\$36,302	\$37,776
Operating.....			\$44,294	\$45,259
Travel.....			\$2,254	\$2,254
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$197,188</u>	<u>\$204,267</u>