

PREPARED BY: Jeanne Glenn
DATE PREPARED: January 15, 2016
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LB 737

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 737 would amend provisions of law governing the Clean Water State Revolving Fund. It is anticipated that the revisions contained in LB 737 would not have a significant fiscal impact to the Department of Environmental Quality.

Please complete ALL (5) blanks in the first three lines.

2016

LB⁽¹⁾ 737

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Environmental Quality

Prepared by: ⁽³⁾ Martie Guthrie Date Prepared: ⁽⁴⁾ January 13, 2016 Phone: ⁽⁵⁾ 402-471-4222

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The proposed amendment would expand eligible funded activities for public entities seeking low-interest loans through the Clean Water State Revolving Fund (CWSRF). The funded activities are for the purposes of constructing wastewater treatment facilities and sanitary sewer collection systems to alleviate public health and environmental problems. The proposed amendment would also increase loan terms from 20 years to a maximum length of 30 years or the useful life of the project, whichever is less.

It is unlikely the expanded eligible activities would be funded as standalone projects, and therefore would not add a significant number of loans processed by the CWSRF. It is more likely this amendment would be used to enhance and broaden the scope of construction projects already or proposed to be in process. Therefore it is not anticipated the amendment would require additional funds to administer in the short-term.

Increasing the maximum term of a CWSRF loan to 30 years will increase the interest revenue and administrative fees the CWSRF receives from loan recipients over the life of a loan. At the same time, the CWSRF may experience slower growth, as lower payments are added to the fund over a longer period of time.

Quantifying the impact of this cash flow is not currently possible without knowing what choices municipalities will make with the scope of their projects, and the length of their loans.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____