

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	42,710		41,675	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	See Below	See Below	See Below	See Below
TOTAL FUNDS	42,710	See Below	41,675	See Below

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

LB 624 creates the Public Building Energy Efficiency Fund. Any political subdivision may apply to the State Energy Office for a loan from the fund. It is intended that the fund be eligible to receive grants, loans, and federal funds.

Section 3 requires the Energy Office to approve energy-efficiency loan applications for proposed projects which reduce energy use or result in a more efficient use of available energy resources. The Energy Office shall consider the type of project proposed and the life expectancy, projected savings and simple payback of the project when determining whether to approve or deny such applications. Following approval of an application, the Energy Office shall submit vouchers against the fund to the Director of the Department of Administrative Services.

Section 4 requires the Energy Office to create loan application forms and standard contracts for repayment of loans. Loans are to be repaid in biannual payments. Loans are to carry no interest nor finance charge. Repayments shall be no less than one-fourth nor greater than one-half of the estimated first year savings.

The State Energy Office estimates the need for 2.0 FTE to administer the program. In addition, \$20,000 is estimated for database development. Based on the duties included in the bill's provisions, the need for 2.0 FTE appears to be excessive. In essence, the Energy Office is charged with administering a revolving loan program, creating application and contract forms, and approving or denying applications. Approval or denial will be determined based on information collected on the application form that the agency creates. There will be new duties to be addressed based on the bills provisions. Tracking of applications, loans, and repayments will be required. It is highly likely that a single FTE could address these duties.

It is unclear why a database will be needed. Certainly a tracking mechanism will be needed to follow applicants and loan recipients, but it is likely that this could be accomplished with a standard off-the-shelf database such as Microsoft Access. Since the agency did not express the reason for a database nor did they address how such a database would be utilized and beneficial, that cost is not included in the table above.

The Energy Office did not identify a funding source for their estimates. It is assumed that the source should be General Funds. The bill is silent on how administrative costs should be paid. Therefore, these costs are included as General Fund costs.

There is no way to estimate the amount of grants, loans or federal funds that the Public Building Energy Efficiency Fund will receive or distribute.

The Department of Administrative Services estimates minimal costs incurred in processing vouchers under the bill's provisions. Due to the low cost estimate these costs could be absorbed within currently budgeted resources.

DEPARTMENT OF ADMINISTRATIVE SERVICES

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COMMENTS					
ENERGY OFFICE – I have no basis to dispute the agency estimate.					