

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

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

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

LB 845 requires each state agency to develop and implement a plan for conserving energy and to set a percentage goal for reducing its electricity usage. The plan must, at a minimum, include the use of switchable power strips that are powered off when the attached equipment is not being used. The plan shall be submitted to the State Energy Office by December 1, 2010 and each December 1 thereafter

The State Energy Office is charged with compiling the plans and providing the compilation to the Governor and Legislature.

The Energy Office reports that it cannot determine the cost to implement the bill. Insofar as compiling the submitted plans and the reporting requirement to the Governor and Legislature, it is assumed that this could be absorbed by the agency with current resources.

The provisions of LB 845 call for agencies setting a percentage goal for reducing electricity. The cost to achieve such a goal cannot be determined. There is no target percentage provided. Reducing electricity by 1 percent would clearly be less costly than reducing consumption by 50%. Achieving a larger percentage reduction could require things such as new windows, replacing energy inefficient HVAC systems and the like.

The extent to which dollars will be saved is dependent upon the percentage goal each agency sets for itself and the amount of electricity usage for that agency.

The cost to implement the bill's provisions cannot be determined at this time. Again, the targeted goal can vary from one agency to another. If a large agency sets a goal of 10% usage reduction the cost would be much higher than if that agency set a goal of 1%. Some agencies that were sampled for response to the bill's costs noted that they would need to utilize outside consultants to create the plan. Again, these costs would vary widely depending on the depth of detail required as well as the size and diversity of the agency.

The requirement to utilize switchable power strips may result in some additional costs for agencies. The bill's language does not specify if every piece of equipment needs to be plugged into such a strip. Nor does the bill specify if the strip can be manually switched or if the switching must be automatic. The bill only requires that the use of switchable power strips be included in the plan. The extent to which the strips must be used is not specified.

At this time, the fiscal impact of the bill cannot be determined. There would clearly be some costs associated with the bill's provisions. Similarly, there would be cost savings associated with the bill's provisions as well.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Cindy Miserez	DATE	1/27/10	PHONE	471-2526
COMMENTS					
ADMINISTRATIVE SERVICES: I have no basis to dispute Administrative Services' estimate.					
DEPARTMENT OF CORRECTIONAL SERVICES: I have no basis to dispute Department of Corrections' estimate.					
NEBRASKA ENERGY OFFICE: There are approximately 78 state agencies, board and commissions receiving appropriations from the Legislature. The State Energy Office is funded by \$300,000 per year cash funds (57-705) and federal funds. Additional State Energy Office cash funds may be needed to fund personnel and administrative costs.					
GAME AND PARKS COMMISSION: I have no basis to dispute Game and Parks Commission's estimate.					
DEPARTMENT OF HEALTH AND HUMAN SERVICES: I have no basis to dispute DHHS's estimate.					
NEBRASKA STATE COLLEGE SYSTEM: I have no basis to dispute NE State College System's estimate.					
NEBRASKA STATE PATROL: I have no basis to dispute NE State Patrol's estimate.					
UNIVERSITY OF NEBRASKA: I have no basis to dispute University of NE's estimate.					