

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below			

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

LB652 would require every agency, board, and commission as well as every Nebraska political subdivision to conduct an audit of its energy use. The bill identifies elements to be addressed in the audits to include:

1. Methods to reduce energy use.
2. Costs of implementing related energy efficiency measures.
3. Benefits, including long-term cost reductions associated with related energy efficiency measures.
4. Whether alternative energy resources can be used in combination with energy efficiencies to provide further benefits.

The bill provides that agencies, boards, commissions and political subdivisions are to submit related energy audit reports to the Clerk of the Legislature by December 31, 2007 and authorizes the entities to seek technical assistance from public utilities, the Nebraska Energy Office, the University of Nebraska, and other available resources.

The bill identifies elements to be addressed as the required energy audits are performed. However, the scope and depth of review that may be required is uncertain. A scope of review limited to methods to reduce energy use that may already have been identified, at least tentatively, by respective entities to represent the greatest prospects for energy use reduction could presumably differ significantly from an exhaustive review of virtually all aspects of energy use and possibilities for utilization of alternative energy resources. A limited scope review would appear not to be precluded by the bill. State entities and local political subdivisions may be able to address limited scope reviews within existing resources. Broad scope reviews with in depth analyses and sophisticated cost estimating may require resources in terms of both funding and staff expertise beyond those currently available to state entities and political subdivisions. Additionally, the December 31, 2007 deadline for submission of the energy audit reports would represent a challenging timeframe within which to realign staff resources to dedicate to an energy audit effort. To the extent that affected state entities and political subdivisions might seek external contractors to perform energy audits, the relatively compressed timeframe for completion of the audit reports may place pressure on contractor pricing for related services.

Fiscal note responses from a sampling of state agencies with significant levels of facilities reflect estimated costs to conduct energy audits. These estimates generally represent what appear to be relatively broad scope reviews conducted by contractors engaged to conduct the audits. The University of Nebraska estimates \$1,213,000 for all University facilities (including the Nebraska College of Technical Agriculture). The Department of Administrative Services estimates \$593,150 for an audit including all buildings managed and operated by State Building Division and vehicles comprising the Transportation Services Bureau fleet. The estimate excludes all Health and Human Services facilities for which State Building Division has an operation and maintenance budgetary interest with the occupant agency. The Game and Parks Commission estimates \$500,000 for its inventory of buildings, excluding those that consume little or no energy. The Department of Correctional Services estimates \$300,000 for an audit of its inventory of buildings. The Nebraska State College System estimates \$200,000 for an audit of all facilities at its campuses.

The bill authorizes state entities and political subdivisions required to conduct the energy audits to seek technical assistance from the Nebraska Energy Office and University of Nebraska. Given uncertainty as to the scope of review that would be undertaken by entities conducting the audits, an estimate as to the impact of demands placed on the Energy Office and University for technical assistance is indeterminate.