PREPARED BY: DATE PREPARED: PHONE: Scott Danigole February 10, 2014 471-0055

LB 1100

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2014-15		FY 2015-16			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS	3,000					
CASH FUNDS	2,040					
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS	5,040					

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

LB 1100 creates the Public Power Task Force.

Section 2 creates the task force and requires it to study if and how the public power entities should be structured and modernized. A listing of certain items to be examined in the study is provided. At the conclusion of its study, the task force shall submit a report with recommendations for any legislation to the Governor and the Clerk of the Legislature no later than December 1, 2014.

Section 3 provides for membership on the task force.

Section 4 requires the task force to terminate on December 21, 2014.

The Power Review Board (PRB) estimates travel related costs to attend meetings outside of Lincoln to be \$2,040. This estimate appears to be reasonable.

The State Energy Office estimates \$3,000 in travel related costs to attend meetings outside of Lincoln. This estimate appears to be reasonable. Since these travel costs are beyond current duties assigned to the Energy Office, the cost is included in the table above. The Energy Office is funded with a mixture of Cash and Federal Funds. Since the current budget did not anticipate this expenditure, the Energy Office rightly assigns the travel costs to General Funds.

The Energy Office has also provided an estimate for the Director's time to participate in this task force. Since the Director's salary is currently being paid, there is no need to provide additional salary and benefit costs. The duty of participation in the task force does not require a salary increase. Task force participation is looked upon as "other duties" that are being assigned to the position. For this reason, the salary and benefit estimate is not included in the table above.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES					
LB: 1100	AM:	AGENCY/POLT. SUB: Nebraska Energy Office			
REVIEWED BY: Cindy Miserez			DATE: 02/03/2014	PHONE: 402-471-4174	
COMMENTS: The fiscal analysis provided by the Nebraska Energy Office for LB1100 appears reasonable.					

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES					
LB: 1100 AM: AGENCY/POLT. SUB: Nebraska Power Review Board					
REVIEWED BY: Cindy Miserez			DATE: 01/30/2014	PHONE: <u>402-471-4174</u>	
COMMENTS: The Nebraska Power Review Board's analysis of the fiscal impact of LB1100 appears reasonable based on assumption of					
the frequency and location of meetings.					

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 1100	AM:	AGENCY/POLT. SUB: Nebraska Department of Economic Development				
REVIEWED BY: Cindy Miserez DATE: 01/29/2014 PHONE: 402-471-4174						
COMMENTS: The N	COMMENTS: The Nebraska Department of Economic Development identifies the need for staff time for one appointee to attend an					
undetermined number of meetings and expects that cost to be minimal. Location of the meetings may result in travel expenditures for the						
agency.						

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES				
LB: 1100 AM: AGENCY/POLT. SUB: University of Nebraska				
REVIEWED BY: Cindy Miserez			DATE: 01/27/2014	PHONE: 402-471-4174
COMMENTS: I concur with the University of Nebraska's conclusion of no fiscal impact for LB1100.				

LB 1100 Fiscal Note 2014

State Agency Estimate						
State Agency Name: Dept. of Economic Development Date Due LFA: 1/30/2014						
Approved by: Lara Huskey	Date Prepared: 1/27/2014 Phone: 471-3777					
	FY 2013-2014 FY 2014-2015			FY	2015-2016	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds						
Cash Funds			-		_	
Federal Funds						
Other Funds						
Total Funds						

LB 1100 would create the Public Power Task Force. The Task Force would study if and how public power entities should be restructured and modernized. Upon conclusion of the study, and no later than December 1, 2014, the Task Force would have to develop a report with recommendations for legislation to the Governor and Clerk of the Legislature.

The Task Force would consist of the Natural Resources Committee, two members of the Agriculture Committee of the Legislature, two members from the Revenue Committee and two members from the Appropriations Committee all appointed by the Executive Board of Legislative Council. It would also consist of representatives appointed by the Governor from each of the following: (1) one from the Nebraska Power Review Board; (2) one from the State Energy Office; (3) one from the Department of Economic Development; (4) one from a statewide health organization; (5) one from a statewide environmental organization; (6) one from a wind energy advocacy organization; (7) one from a solar energy advocacy organization; (8) one from a labor union; (9) one from an electric energy efficiency business; (10) one from an electric energy service business; (11) one from the University of Nebraska; (12) four members, each representing a different public power entity; (13) three residential electricity customers (difference congressional districts); (14) one commercial electricity customer; and (15) one industrial electricity customer.

The Task Force would meet as often as necessary and would be able to hire a consultant or consultants to facilitate the work and meetings of the Task Force, and enter into agreements to achieve the objectives of the Task Force. The Task Force would be able to create and use working groups or subcommittees as it deems necessary. The Task Force would terminate on December 31, 2014.

The only costs associated with implementing LB 1100 for the Department of Economic Development appear to be the staff time for the committee member appointed by the Governor. Although the time commitment is unclear, costs to the Department would be minimal.

Major Objects of Expenditure							
Class Code	Classification Title	13-14 <u>FTE</u>	14-15 <u>FTE</u>	15-16 <u>FTE</u>	13-14 Expenditures	14-15 Expenditures	15-16 Expenditures
Benefits							
Operating Costs							
Travel							
Capital Outlay							
Aid.							
Capital Improvemen	nts						
Total							

LB (1) 1100				FISCAL NOTE				
State Agency OR Politica	l Subdivision Name: (2)	Power Review Bo	Power Review Board					
Prepared by: (3) Tim	Texel	Date Prepared: (4)	Jan. 29, 2014 Phone: (5) 402-471-2301				
	ESTIMATE PROVIDE	D BY STATE AGENCY	OR POLITICAL SUBDIVIS	SION				
	<u>FY 20</u> <u>EXPENDITURES</u>	014-15 <u>REVENUE</u>	<u>FY 20</u> <u>EXPENDITURES</u>	<u>15-16</u> <u>REVENUE</u>				
GENERAL FUNDS								
CASH FUNDS	\$2,040	-0-	-0-	-0-				
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS	\$2,040	-0-	-0-	-0-				

Explanation of Estimate:

The Power Review Board could have some travel costs associated with the Board's representative on the Public Power Task Force created by LB 1100. There are many unknown variables making an accurate estimate difficult. If the Governor would appoint a Board member living far away from the meeting locations, the Board could incur more significant expenses. If the Governor appointed the Board's Executive Director and General Counsel and the Task Force meetings were held primarily in Lincoln or via conference call, the fiscal impact on the Board would be nominal.

The Board's cost estimate assumes that the Task Force would hold some meetings in Lincoln, and hold other meetings in a more central statewide location such as Kearney. We also assume the Task Force would hold perhaps ten face-to-face meetings. It costs approximately \$89.72 for the Board's Executive Director and General Counsel to use a State vehicle to travel from Lincoln to Kearney. The Board would be able to absorb these travel costs in the agency's current budget. However, if a Board member from Omaha were to attend the meetings, the same trip would cost approximately \$215 for round-trip mileage (383 miles) plus a \$60.00 per diem, for a total of \$275. If five meetings were held in Kearney, the Board would incur approximately \$1,375 in expenses. If five additional meetings were held in or near Lincoln, that would be approximately \$73 in round-trip mileage per meeting (130 miles) plus a \$60 per diem, for a total of \$133 per meeting. For five such trips, the total would be \$665. Using these assumptions, the Board would incur in the vicinity of \$1,440 in travel and \$600 in per diems for an estimated total of approximately \$2,040. If the Board's member from Grand Island would be appointed to the Task Force, the costs would be approximately the same. The travel costs to Kearney would be less, but the travel costs to Lincoln would be more, which evens out the cost. If more than ten face-to-face meetings were held, the Board believes it could absorb the additional travel and per diem costs using its existing budget.

BRI	EAKDOWN BY	MAJOR OBJECT	TS OF EXPENDITURE	
Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS 14-15 15-16		2014-15 EXPENDITURES	2015-16 <u>EXPENDITURES</u>
Per Diems	-0-		\$600	-0-
Benefits				
Operating				-0-
Travel			\$1,440	-0-
Capital outlay				
Aid				
Capital improvements				
TOTAL			\$2,040	-0-

LB ⁽¹⁾ 1100			FISCAL NOTE
State Agency OR Political Subdivision Name: (2)	University of Ne	braska	
Prepared by: (3) Michael Justus	Date Prepared: (4)	January 23, 2014 Phone: (5)	402-472-2191
ESTIMATE PROV	VIDED BY STATE AGEN	NCY OR POLITICAL SUBDIVIS	SION
FY	2014-15	FY 2015	5-16
EXPENDITURE		<u>EXPENDITURES</u>	REVENUE
GENERAL FUNDS			
CASH FUNDS			
FEDERAL FUNDS			
OTHER FUNDS	_		
TOTAL FUNDS	_	·	
	=	·	
Explanation of Estimate:			
DDEA	AKDOWN PV MAJOR O	BJECTS OF EXPENDITURE	
Personal Services:	MIDOWN BI MAJOR O	DJECTS OF EXITENDITURE	
POSITION TITLE	NUMBER OF POSITIONS 14-15 15-16	S 2014-15 EXPENDITURES	2015-16 EXPENDITURES
		<u> </u>	
Benefits			
Operating			
Travel			
Capital outlay			
Aid			
Capital improvements			
TOTAL			

meetings or the location of the meetings.

LB ⁽¹⁾ 1100				FISCAL NOTE			
State Agency OR Political Subdivision Name: (2)		Nebraska Energy Office					
Prepared by: (3)	Danielle Jensen	Date Prepared: (4)	1/24/1014 Phone: (5)	471-3360			
	ESTIMATE PROVIDED	BY STATE AGENC	CY OR POLITICAL SUBDIVISION	ON			
	FY 201	4-15	FY 2015	-16			
	EXPENDITURES	<u>REVENUE</u>	EXPENDITURES	<u>REVENUE</u>			
GENERAL FUNI	os \$9127.00						
CASH FUNDS							
FEDERAL FUND	os						
OTHER FUNDS							
TOTAL FUNDS	\$9127.00						
Explanation of Es LB 1100 calls for		esentative of the State	e Energy Office to serve on the F	Public Power Task			

The Energy Office does not have uncommitted fiscal resources or appropriation to carry out the duties described in section 2. Performance of the work necessary for the Public Power Task Force to achieve the bills stated objectives would require significant time by State Energy Office Director. Based on the scope of work identified, the Energy Office estimates that it would require approximately 110 hours dedicated time, including research, planning, and analysis necessary to support the effort. Staff costs for this additional duty is approximately \$6,127.00 including benefits.

Force. The bill does not specify and the Energy Office is not assuming responsibility for the performance of administrative and budgetary activities. The bill states the task force may meet as often as necessary but does not specify the number of

It is estimated there would also be costs associated for travel to the unidentified number and location of the meetings. Actual costs will depend upon the number of meetings and locations. The Energy Office estimate assumes that up to \$3,000 in travel expenses could occur. The Energy Office assumes travel expenses to task force meetings are to be reimbursed by resources appropriated under passage of this bill. The Office is assuming ten meetings will be held. Travel expense estimated as:

10 meetings X \$300.00 (Cost of TSB rental car) = \$3,000.00

The Energy Office is not assuming the costs to retain outside contract resources to perform the work required by this task force. Should the task force determine contractors will be retained; the Energy Office will require additional appropriations to share in this expense.

The Energy Office receives up to \$300,000 state cash funds pursuant to section 57-705, the Severance Tax Fund for administration found in 81-1601 to 81-1607 of the Nebraska Revised Statutes. These funds are already appropriated to carry out specific duties of the Office. Federal funds received by the Energy Office cannot be used to finance this activity.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE							
Personal Services:			<u>-</u>				
POSITION TITLE	NUMBER O	F POSITIONS <u>15-16</u>	2014-15 EXPENDITURES	2015-16 EXPENDITURES			
Director	1		5156.80				
Benefits			970.20				
Operating							
Travel			3000.00				
Capital outlay							

Aid		
Capital improvements		
TOTAL	\$9127.00	