

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	(219,322)	(203,022)	(258,625)	(246,625)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(219,322)	(203,022)	(258,625)	(246,625)

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

LB 157 changes provisions related to the Nebraska Telecommunications Universal Service Fund Act.

Section 3 provides a definition for “Prepaid wireless telecommunications service provider”.

Section 4 requires universal service fund contribution and surcharge obligations for prepaid wireless telecommunications service providers be governed by the Prepaid Wireless Surcharge Act.

Section 6 adds a factor to computing the prepaid wireless surcharge. The added factor is the percentage obtained by multiplying the Nebraska Telecommunications Universal Service Fund surcharge percentage by the inverse of the Federal Communications Commission safe harbor percentage for determining the interstate portion of a fixed monthly wireless charge.

The Public Service Commission estimates removing the direct assessment for prepaid wireless carriers from the Universal Service Fund will result in decreased revenue and aid distribution in the amount of (\$219,322) for fiscal year 2017-18 and (\$258,625) for fiscal year 2018-19. There is no basis to disagree on these estimates.

The Department of Revenue estimates a cash fund revenue increase of \$16,300 for fiscal year 2017-18 and \$12,000 for fiscal year 2018-19. This is based on the section 6 calculation change. There is no basis to disagree with these estimates.

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2017

LB⁽¹⁾ 157

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Public Service Commission

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	Aid -219,322	-219,322	Aid -258,625	-258,625
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>-219,322</u>	<u>-219,322</u>	<u>-258,625</u>	<u>-258,625</u>

Explanation of Estimate:

LB 157 amends the Nebraska Telecommunications Universal Service Fund Act by removing the direct assessment of universal service fund contributions by prepaid wireless carriers from the Commission and moving the collection and remittance responsibilities to the retail selling agent. In doing so, three point five percent of surcharge revenue would be diverted away from the Commission thereby lowering distributions of aid.

The three point five percent reduction consequential to this legislation would have a considerable impact on the Commission's ability to distribute aid. For example, this reduction would equate to one less cell tower being built this year, one fewer broadband project, or the funding necessary to keep thousands of low-income subscribers connected.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....			-219,322	-258,625
Capital improvements.....				
TOTAL.....			<u>-219,322</u>	<u>-258,625</u>

